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The COMMERCIAL & FINANCIAL CHRONICLE

(Reg. U. S. Pat. Office)

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Our Reporter On "Governments"

There still are some excellent switching opportunities in the Government market, despite the fact that the primary switching activities—from taxables to tax-exempts and back again—are diminishing in volume. . . . Before going into details, though, that second point—the falling off of activity in shifting from section to section—deserves special mention, for it indicates the development of some new thoughts in the market. . . .

For one thing, the tax consciousness of investors of all kinds never has been at so high a pitch. . . . The feeling is general among banks and other institutional investors in Governments that the normal tax rate is going to be maintained and that the increases will occur in the surtax rate. . . . That is a point which has been stressed repeatedly in this space for months. . . . Now it is conceded by most holders of Governments. . . . And translated into terms of market movements, it has discouraged many investors from switching from tax-exempts into taxables—because they figure the tax-exempts are fairly safe for a while. . . .

For another thing, the feeling is that the tax-exempts are wonderful securities to hold now—and they won't be around for a much longer time. . . . Every one knows the supply of tax-exempts is being cut as rapidly as possible. . . . Even if the Government doesn't succeed in its obvious aim to eliminate tax-exempt privileges on outstanding as well as all future issues of securities (an aim that is not expressed, but implied as far as Governments are concerned) there's no denying the fact that the number of tax-exempts will be cut steadily by refunding deals, engineered either on time or ahead of time. . . . So the psychology is "let's hold them as long as possible and get the best out of them while we may." . . .

The tax-exempt market, in short, is enjoying a special tenderness just now. . . . Translate that into terms of your own portfolio and act accordingly. . . .

Specific Switches

Leaving the field of major switches from section to section of the market and going into the question of specific arbitrages available within the taxable list, the figures indicate that there are several profitable moves to be made just now. . . .

The switch mentioned in this space last week still is an excellent one. . . . Deserving attention from all holders of the 2s of 1955/51, who are not bound by theories of diversification and thus unable to take advantage of a technical market situation. . . .

The fact is that the 2s of 1955/51, selling at par as this is being written (or at a 32nd or so above par) have needed the most official support in recent weeks. . . . Because they are closest to par, of course. . . . Because the policy of the Federal Reserve System is to maintain in the par level on its bonds if at all possible without too great a cost. . . .

That means the 2s are rather over-priced in relation to other comparable issues. . . . Or putting it another way, that issues such as the 2¼s of 1955/52, are under-priced in relation to the 2s. . . .

So sell the 2s of 1955/51 at around par and buy the 2¼s of 1955/52 at around 100⅝. . . . The maturity of the 2¼s is June 15, 1955. . . . Of the 2s, Dec. 15, 1955. . . . The call date of the 2¼s is only six months away from that of the 2s. . . . Yet, the coupon

(Continued on Page 934)

OUR REPORTER'S REPORT

The corporate securities market came to life this week, after a period of hibernation which saw little beyond a handful of municipal offerings available to investors.

And with the period of lethargy in new issues quite evidently having provided dealers with an opportunity to clear away loose-ends of previous deals which had been on the shelves, a ready market greeted the securities brought out yesterday.

Offering of the $32,500,000 of Pennsylvania Electric Company 30-year 3⅜% first mortgage bonds and 34,000 shares of 5.10% preferred stock encountered a lively demand which permitted a quick cleaning up of the bonds and a highly satisfactory movement of the preferred stock.

Bought in by bankers on Monday under the "competitive bidding" rule of the Securities and Exchange Commission through a so-called "package" bid at 102.3177 to the company, the bonds were offered publicly at 103½ to return an indicated 3.19% yield.

The preferred stock, part of the package, for which bankers bid 100.3789 as a 5.1% dividend issue, was priced at 100¾ to yield about 4.91%.

There had been more than a modicum of doubt last week-end that the deal would be carried through, due to prevailing conditions. But presumably bankers were moved to undertake the underwriting upon scrutinizing the behavior of public utility bonds over the period of recent weeks. As a group good utility issues had ably withstood the effect of disquieting events in the interval.

(Continued on Page 935)

Increase Of 25% On Commissions Approved By Governing Board Of Stock Exchange

The Board of Governors of the New York Stock Exchange on Feb. 26 approved and submitted to the membership for balloting amendments to the Exchange's Constitution increasing commissions which the public will pay on stock transactions by slightly over 25%. The new commission rates will be voted upon by the members in the next two weeks, and if approved, will go into effect on March 16.

In a letter to the members, Emil Schram, President of the Exchange, says that the Governors feel that the new rates are fair to all concerned, in terms of services rendered to the public and to one another. Mr. Schram's letter points out that the proposed changes in the commission rates are as follows:

Non-Member Rates—Stocks

Generally, a flat increase of 1c a share is proposed in the non-member commissions on stocks selling between 50c and $10. On stocks selling between $10 and $90, the proposed commissions would be progressively increased at the rate of ¼ of 1% of the selling price.

At $90 a share and above a uniform minimum commission of 35c a share would be charged.

The above non-member rates apply both to 100-share-unit and 10-share-unit stocks and to round-lot and odd-lot orders.

The minimum commission on a transaction has been raised to $5 where the amount involved is $100 or more.

Member Rates—Stocks

The new clearance commissions on stocks selling at $1 and above have generally been increased. These rates would be applied to both 100-share and 10-share-unit stocks. On 100-share-unit stocks selling at $10 and above but below $50, the new rate would be 5½c a share while the old rate is 3.9c. On stocks selling at $50 and above, the new rate would be 6c, while the old 100-share-unit rate varied between 4.1c and 5.3c. In the case of the 10-share-unit stocks, reductions are proposed in clearance commissions on stocks in the $5 to $50 groups, and such commissions would be unchanged in stocks in other price groups.

The proposed give-up commissions on 100-share-unit stocks selling at $5 and above but less than $125 would be increased, while such commissions on the other stocks would remain unchanged or would be slightly decreased. Such give-up rates would generally amount to $2.75 or $3.00 per 100 shares, which compares with $2.60 or $2.70 at present.

Give-up commissions on the 10-share-unit stocks would not be changed.

Non-Member and Member Rates

Provisions have been made to increase the non-member and member commissions on bonds in the case of orders for less than 5 bonds. Such commissions on orders for 5 bonds or more would be unchanged.

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INC.
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NEW YORK, N.Y. YONKERS, N.Y.
REctor 2-7634 MArble 7-8500
Bell Teletype NY 1-2361

Charles M. Abbe Joins Blyth & Co. In Boston

Blyth & Co., Inc., announces that Charles M. Abbe has become associated with them in their Boston office, 75 Federal St., where he will be in charge of developing their retail sales department throughout New England.

In making this new connection, Mr. Abbe retires as a general partner of the firm of Newton, Abbe & Co., of which he was one of the founders in 1931. Previously he had been associated for many years with Harris, Forbes & Co. He is Chairman of the New England Educational Group of the Investment Bankers Association of America, and a member of the National Municipal Council of that organization.

Ogden H. Freeman To Open Own Dealer Firm

Ogden H. Freeman has opened offices at 20 Exchange Place, New York City, to engage in a general securities business. Mr. Freeman was formerly a partner in Arthur B. Treman & Co. in charge of the Syndicate Department in their New York office. In the past he was a partner in Plympton, Gardiner & Co. of New York.

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MARCH 2, 1942

ABA Credit Clinic For Mid-West Bankers

Expanding further its series of banking clinics on war-time credit problems, the American Bankers Association will sponsor a credit clinic to be held at the Stevens Hotel in Chicago, April 15-17, for bankers in the Mid-West area, it is announced by Henry W. Koeneke, A. B. A. President, who is President of the Security Bank of Ponca City, Ponca City, Okla.

The program for the Chicago credit clinic will feature discussions of the three basic fields of bank credit, namely, agricultural credit, consumer credit and commercial credit, including defense lending, Mr. Koeneke said. A full day will be devoted to each of these phases of credit.

Banks to be included in the conference are those in the States of Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. Banks in these States will soon receive invitations to send representatives to the clinic.

Informality will characterize the program, Mr. Koeneke says, the object being to have a real working conference which will treat credit problems under wartime conditions by the clinical method.

C. C. Brownson Joins Fewel, Marache & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF. — Charles C. Brownson is now affiliated with Fewel, Marache & Co., 453 South Spring St., members of the Los Angeles Stock Exchange. Mr. Brownson was formerly Vice-President of Bingham-Walter & Co. with headquarters in Pasadena.

Morgan Of Sperry Is Named Lehman Director

Thomas A. Morgan, President of the Sperry Corporation and a member of the New York State Council of National Defense, has been elected a director of the Lehman Corporation, succeeding Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation and of the Standard Gas and Electric Corporation, who resigned from the Lehman Corporation board when he also became Alien Property Custodian.

J. Herbert Case, Dwight F. Davis, I. J. Harvey, Jr., Herbert P. Howell and Wendell L. Willkie continue as directors in addition to those who are partners in Lehman Brothers or officers of the Lehman Corporation.

Siegel and Krumholz Form Own Dealer Firm

Sidney A. Siegel and Nathan A. Krumholz have formed Siegel & Co. with offices at 39 Broadway, New York City, to deal in investment securities. The new firm will specialize in title company certificates, Prudence Company bonds, and all real estate issues. Mr. Siegel was formerly a partner in Stryker & Brown; Mr Krumholz was a partner in the recently dissolved firm of Fitz-Levy & Co.

Charles S. Blood With Edward D. Jones & Co.

(Special to The Financial Chronicle)

ST. LOUIS, MO.—Charles Sullivan has become associated with Edward D. Jones & Co., Boatmen's Bank Building, members of the New York, St. Louis, and Chicago Stock Exchanges. Mr. Blood was formerly for many years President of Slayton & Co., Inc.

Trading Markets in
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SEC Starts Trek To Philadelphia Today

The removal of the main offices of the Securities and Exchange Commission to Philadelphia begins today and the Commission expects to complete the move in about eighteen days.

Every effort will be made to avoid interruption of the work of the Commission during the moving period and to assure the expeditious handling of all official business. As a guide for those having business before the Commission, the moving schedule of the various units is as follows:

March 5—Reorganization Division.
March 6—Trading and Exchange Division.
March 6, 7, and 8—Public Utilities Division.
March 8 and 9—Registration Division.
March 9—Commissioners.
March 12—Legal Division.
March 13—Chief Accountant's Office.
March 13—Oil and Gas Unit.
March 14—Investment Company Division.

After March 9, official mail should be addressed to the Commission's new offices — 18th and Locust Street, Philadelphia, Pennsylvania—in accordance with the above moving schedule. Mail addressed to an individual should conform to the above moving schedule. Parties to all hearings heretofore scheduled to be held in the Commission's Washington offices will be notified sufficiently in advance of any change in the place of hearing.

A liaison office, which will be a clearing house for work with other government departments, will be maintained in Washington, D. C. The Chairman of the Commission will maintain offices in Washington as well as in Philadelphia.

All filings customarily made at the Washington offices of the Commission should be made at the new Philadelphia offices on and after March 9.

Samuel Cornwall Now With Bond, Judge Co.

(Special to The Financial Chronicle)

HARTFORD, CONN. — Samuel C. Cornwall has become associated with Bond, Judge & Co., Inc., whose main office is located at 68 Devonshire Street, Boston, Mass. Mr. Cornwall was formerly Executive Vice-President of F. W. Horne & Co., Inc. In the past he was manager of the municipal trading department for F. B. Eyre & Co. and Van Alstyne, Noel & Co. in New York City.

Henry Talbot To Be Partner In Byfield

Henry D. Talbot will become a partner in Byfield & Co., 31 Broadway, New York City, members of the New York Stock Exchange. It is proposed that Mr. Talbot act as alternate on the floor of the Exchange for Alan H. Kempner under Section 15, Article IX of the Exchange's constitution. Mr. Talbot was formerly a partner in Bendix, Luitweiler & Co. and its predecessors for many years.

Norman Lewellyn Gets Order Of Purple Heart

Norman Lewellyn, formerly associated with the Bankers Bond Co. of Louisville, Ky., and now serving as a major in the United States Air Force has been decorated with the Order of the Purple Heart for gallantry in the fighting in Java.

Actual Trading Markets in:
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NY 1-1557

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National Radiator 5s & Com.
Monon Coal 5s, w. s.
Van Camp Milk Pfd. & Com.
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Industrial Real Est. Tr. 3s, w. s.
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Results Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on Mar. 2 that the tenders for $150,000,000 or thereabouts, of 91-day Treasury bills, to be dated Mar. 4 and to mature June 3, 1942, which were offered on Feb. 27, were opened at the Federal Reserve Banks on Mar. 2. The following details of this issue are revealed:

Total applied for---$510,228,000
Total accepted----- 150,477,000
Range for accepted bids:
High—99.962. Equivalent rate approximately 0.150%.
Low—99.941. Equivalent rate approximately 0.233%.
Average Price—99.944. Equivalent rate approximately 0.222%.
(46% of the amount bid at the low price was accepted.)

There was a maturity of a similar issue of bills on Mar. 4 in amount of $200,156,000.

Witter Admitting Foley

Bertrand J. Foley will become a partner in Dean Witter & Co., members of the New York Stock Exchange, and will act as alternate on the floor of the Exchange for Harold W. Scott. Mr. Foley will make his headquarters in the firm's New York office, 14 Wall Street.

We invite inquiries and furnish Trading Markets in
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Aldrich & Personnel Joining Goodbody Co.

(Special to The Financial Chronicle)

HARTFORD, CONN. — Subsequent to the liquidation of Aldrich & Company, C. Morgan Aldrich and Warren S. Whitney, partners in the dissolved firm, have become associated with Goodbody & Co., 75 Pearl Street. Mr. Aldrich will be manager of the Hartford office of Goodbody & Co. Edward L. Bartlett III, formerly in charge of the trading department of Aldrich & Co., Roland L. Burnett, Alfred H. Bowman, and Ellsworth D. Wood are also joining Goodbody & Co.

Charles Klein Is Now With Holsapple & Co.

Holsapple & Co., 30 Pine Street, New York City, members of the New York Stock Exchange, announce that Charles E. Klein has become associated with the firm. Mr. Klein was with Cowen & Co. for 20 years, at one time as a partner. He will be in the trading department of Holsapple & Co. and will specialize in railroad bonds and railroad reorganization securities.

Ralph Clark Co. Opens Direct Phone to N. Y.

BOSTON, MASS. — Ralph F. Carr & Company, 10 Post Office Square, which heretofore has had a direct private telephone to the New York office of Williams and Southgate, has now a direct telephone connection to Smith, Barney & Company, New York City, REctor 2-1288. All subscribers to "Security Dealers of North America" should add this new telephone number to the listing of Ralph F. Carr & Company in Boston so that they will have the latest information.

Committees Appointed By Phila. Bond Club

PHILADELPHIA, PA. — The Bond Club of Philadelphia announces the appointment of the following committees for 1942:

Elective—John C. Bogan, Jr., Sheridan, Bogan & Co., Chairman; Richard E. Norton; C. Newbold Taylor; Bertram M. Wilde, and George F. Taylor, Bankers Trust Co.

Arrangements—Henry D. Boenning, Boenning & Co., Chairman; H. V. B. Gallager, Yarnall & Co.; Edw. Boyd, Jr., Harriman Ripley & Co.; Wallace M. McCurdy, Wellington Fund; Samuel K. Phillips, Samuel K. Phillips & Co.; Spencer D. Wright, Wright, Wood & Co.; Alfred R. Hunter; Theodore S. Mead, First Boston Corp.; Raymond L. Talcott, and Leo D. Tyrrell, Biddle, Whelen & Co.

Publicity—Clifford C. Collings, C. C. Collings & Co., Chairman; Howard E. Duryea, Starkweather & Co.; Eugene T. Arnold, Harriman Ripley & Co.; William H. Hobson, Jr., Blair & Co., Inc.; Alfred Rauch, Philadelphia National Co.; Osborne R. Roberts, Schmidt, Poole & Co.; Charles P. Shaw; W. Albert Smith, Jr.; Roy Stewart, Brown Bros. Harriman & Co., and R. Victor Mosley, Stroud & Co.

Pittsburgh Bond Club Will Hold Election

PITTSBURGH, PA.—The Bond Club of Pittsburgh will hold its annual meeting and election of officers and Board of Directors on Thursday evening March 26, it is announced by L. Wainwright Voigt, Secretary of the club.

The roster for officers during the coming year presented by the recently appointed Nominating Committee are:

President — L. Wainwright Voigt, Hemphill, Noyes & Co. Vice-President, Charles A. Painter, Jr., Kay Richards & Co. Secretary, Alan G. Clifford, J. M. Scott & Co. Treasurer, S. Lee Bear, S. Lee Bear & Co.

Board of Governors, one year term — Francis J. McGuinness, Chaplin & Co.; two year term, Stephen W. Steinecke, S. K. Cunningham & Co., and Paul Tunnell, H. M. Byllesby & Co.

Nominating Committee — Norman C. Ray, Kay, Richards & Co., Chairman; John E. Friday, Harriman Ripley & Co.; Harry F. Carson, S. K. Cunningham & Co., Inc.; Francis J. McGuinness, retiring President, and S. Davidson Herron, Mellon Securities Corp.

Interested In Equalization

Paul Dysart & Associates, Kentucky Home Life Building, Louisville, Ky., have prepared a descriptive booklet on "equalization," an improved theory of market trends, spotting basic trends, secondary trends and distribution, copies of which may be had from them upon request.

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Martin Judge Jr. Now With Hill Richards Co.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—Martin Judge, Jr. has become associated with Hill Richards & Co., 79 Post Street, where he will continue to specialize in unlisted and inactive securities. Mr. Judge was formerly manager of the trading department for Shaw, Hooker & Co. and prior thereto was in business under his own name for 18 years.

J. G. La Puma With Barbour, Smith & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Joseph G. La Puma, formerly assistant manager of the trading department of the local office of Mitchum, Tully & Co., has become associated with Barbour, Smith & Company, 210 West Seventh Street, members of the Los Angeles Stock Exchange.

Jones Shannon With Miller, Kenower Co.

DETROIT, MICH. — Jones B. Shannon has become associated with Miller, Kenower & Co., Inc., Penobscot Building, as Vice-President. Mr. Shannon was formerly manager of the municipal department of Campbell, McCarty & Co., Inc., and prior thereto was an officer of Shannon, Kenower & Co.

Hyman Co. Reorganized

Coincident with the dissolution of the present partnership of Hyman & Co. as of today, a new partnership will be formed to conduct business under the same name from 40 Wall St., New York City. Partners of the new organization are William deYoung Kay, member of the New York Stock Exchange, Edward L, Aaron, and Jack B. Byck. Mr. Kay was previously an individual floor broker in New York, and prior thereto was a partner in Kay, Byfield & Co. Mr. Byck was office manager of Hyman & Co.

Bernard E. Hyman, it is understood, will do business as an individual floor broker.

Hornblower-Weeks and G. M.-P. Murphy Merge

Consolidation of the activities of the firms of G. M.-P. Murphy & Co., and Hornblower & Weeks, to become effective March 16, is being announced today in a joint statement by the two firms. Otis A. Glazebrook, Jr., and Charles S. Sargent, general partners of G. M.-P. Murphy & Co., will be general partners, while Walter R. Herrick and Edward O. McDonnell will be limited partners in the enlarged firm, which will continue under the Hornblower & Weeks name. Trowbridge Callaway and Willard S. Simpkins will be associated with the firm and will make their headquarters at the New York office. Alfonso P. Villa, a general partner of G. M.-P. Murphy & Co., will retire and Robert Grant, 3rd, is now on active duty in the United States Navy. P. Erskine Wood and Grayson M.-P. Murphy, Jr., limited partners, will withdraw. Messrs. Wood and Villa will make their headquarters at Hornblower & Weeks.

Ralph Hornblower, senior partner, and the other present partners of Hornblower & Weeks will continue as such. The New York office personnel of G. M.-P. Murphy & Co. will be moved to the Hornblower & Weeks offices at 40 Wall Street and similar changes will be made in Boston and Philadelphia. Hornblower & Weeks also have fully equipped offices in Chicago, Cleveland, Detroit, Providence, R. I., and Portland and Bangor, Maine, with resident partners in all except Providence and Bangor.

The enlarged firm will continue the business, in which both firms have been engaged, of underwriting security issues and rendering investment and brokerage services. It will hold memberships on the New York, Boston, Chicago, Cleveland, Philadelphia and Detroit Stock Exchanges and on the New York Curb Exchange.

100 Dividend-Payers

R. H. Johnson & Co., 64 Wall Street, New York City, has prepared a list of 100 common stocks which have paid dividends in each year from 1929 to 1941, inclusive, copies of which may be had upon request.

BONDS
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Railroad
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Incorporated
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DIVIDEND NOTICES

AMERICAN BANK NOTE COMPANY

Preferred Dividend No. 144
Common Dividend No. 128

A quarterly dividend of 75¢ per share (1½%) on the Preferred Stock for the quarter ending March 31, 1942, and a dividend of 10¢ per share on the Common Stock have been declared. Both dividends are payable April 1, 1942, to holders of record March 11, 1942. The stock transfer books will remain open.

J. P. TREADWELL, JR.
February 18, 1942 *Secretary*

American Locomotive Company

30 CHURCH STREET
NEW YORK, N. Y.

Preferred Dividend No. 135

A dividend on the Preferred Capital Stock of this Company of $1.75 per share on account of accumulated dividends has been declared payable March 24, 1942, to the holders of record of said stock at the close of business on March 10, 1942.

Transfer books will not be closed. Checks will be mailed by the Bankers Trust Company on March 23, 1942.

JOHN D. FINN
February 26, 1942 *Secretary*

ANACONDA COPPER MINING CO.
25 Broadway, New York, N. Y.
February 26, 1942
DIVIDEND NO. 135

The Board of Directors of the Anaconda Copper Mining Company has declared a dividend of Fifty Cents (50c.) per share upon its Capital Stock of the par value of $50 per share, payable March 23, 1942, to holders of such shares of record at the close of business at 3 o'clock P. M., on March 10, 1942.

JAS. DICKSON, Secretary & Treasurer

THE ATLANTIC REFINING CO.

PREFERRED DIVIDEND **NUMBER 24**

At a meeting of the Board of Directors held March 2, 1942, a dividend of one dollar ($1) per share was declared on the Cumulative Preferred Stock Convertible 4% Series A, of the Company, payable May 1, 1942, to stockholders of record at the close of business April 6, 1942. Checks will be mailed.

W. M. O'CONNOR
March 2, 1942 ***Secretary***

Beneficial Industrial Loan Corporation

DIVIDEND NOTICE

Dividends have been declared by the Board of Directors, as follows:

PRIOR PREFERENCE STOCK
$2.50 Dividend Series of 1938
62½c per share
(for quarterly period ending March 31, 1942)

COMMON STOCK
40c per share

Both dividends are payable March 31, 1942 to stockholders of record at close of business March 16, 1942.

E. A. BAILEY
March 2, 1942 *Treasurer*

At a meeting of Directors held February 24, 1942 in London it was decided to pay on March 31st Interim Dividend of Five Pence for each One Pound of Ordinary Stock free of tax. Coupon No. 189 must be used for Dividend.

All transfers received in order at London on or before March 2nd will be in time for payment of dividend to transferees.

BRITISH-AMERICAN TOBACCO COMPANY, Limited
February 24, 1942

THE CHESAPEAKE AND OHIO RY. CO.

A dividend for the first quarter of 1942 of one dollar per share on Preference Stock, Series A, and of seventy-five cents per share on $25 par common stock will be paid April 1, 1942, to stockholders of record at close of business March 6, 1942.

Transfer books will not close.

H. F. LOHMEYER, Secretary.

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The Borden Company

ANNUAL MEETING

The annual meeting of stockholders will be held on Wednesday, April 15, 1942, at ten o'clock A.M. (Eastern War Time) at our registered office, 15 Exchange Place, Jersey City, N. J.

Only stockholders of record at the close of business on Wednesday, March 18, 1942, will be entitled to vote at said meeting, notwithstanding any subsequent transfers of stock.

The stock transfer books will not be closed.

The Borden Company
WALTER H. REBMAN, *Secretary*

DIVIDEND NOTICES

JERSEY CENTRAL POWER & LIGHT CO.
PREFERRED STOCK DIVIDENDS

The Board of Directors has declared the following regular quarterly dividends: the 68th qtly. div. of $1.75 on the 7% Preferred Stock; the 59th qtly. div. of $1.50 on the 6% Preferred Stock; and the 43rd qtly. div. of $1.37½ on the 5½% Preferred Stock. Payable on April 1, 1942 to stockholders of record at the close of business March 10.

R. R. BOLLINGER, Treasurer.

COMMERCIAL INVESTMENT TRUST CORPORATION

Convertible Preference Stock, $4.25 Series of 1935, Dividend

A quarterly dividend of $1.06¼ on the Convertible Preference Stock, $4.25 Series of 1935, of COMMERCIAL INVESTMENT TRUST CORPORATION has been declared payable April 1, 1942, to stockholders of record at the close of business March 10, 1942. The transfer books will not close. Checks will be mailed.

Common Stock, Dividend

A quarterly dividend of 75 cents per share in cash has been declared on the Common Stock of COMMERCIAL INVESTMENT TRUST CORPORATION, payable April 1, 1942, to stockholders of record at the close of business March 10, 1942. The transfer books will not close. Checks will be mailed.

JOHN I. SNYDER, *Treasurer.*
February 26, 1942.

THE ELECTRIC STORAGE BATTERY CO.

The Directors have declared from the Accumulated Surplus of the Company a dividend of Fifty Cents ($.50) per share on the Common Stock, payable March 31, 1942, to stockholders of record at the close of business on March 10, 1942. Checks will be mailed.

H. C. ALLAN, *Secretary and Treasurer.*
Philadelphia, February 20, 1942.

FINANCIAL NOTICE

BRITISH-AMERICAN TOBACCO COMPANY, LIMITED

NOTICE TO STOCKHOLDERS.

NOTICE IS HEREBY GIVEN that after the interim dividend payable on 31st March, 1942, the Board will discontinue the practice of declaring quarterly interim dividends on the Ordinary stock of the company. The intention is to declare interim dividends half-yearly, payable on the 31st March and 30th September, and to pay with the first interim dividend payable on the 31st March any final dividend which may have been declared in respect of the preceding year.

BY ORDER OF THE BOARD.
D. M. OPPENHEIM, Secretary.
Rusham House, Whitehall Lane, Egham, Surrey, England.
March 2, 1942.

UTILITY PREFERREDS

JACKSON & CURTIS

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

NEW YORK, N. Y.—**Gamwell & Co.**, 40 Wall St., announce that **Herbert D. Smith** has become associated with them.

(Special to The Financial Chronicle)
BOSTON, MASS.—**P. Raymond Jackman** has become connected with **Chace, Whiteside & Co., Inc.**, 24 Federal St. Mr. Jackman was previously with Baldwin & Co. and the Sears Corporation.

(Special to The Financial Chronicle)
BOSTON, MASS.—**Charles Forrest Richardson** has been added to the staff of **Lee Higginson Corporation**, 50 Federal St.

(Special to The Financial Chronicle)
BOSTON, MASS.—**Thomas F. Hurley** is now affiliated with **Trust Funds, Inc.**, 89 Broad St.

(Special to The Financial Chronicle)
BRIDGEPORT, CONN. — **Vincent K. Garland** has joined the staff of **Gaynor, Clemence & Co., Inc.**, 137 John St.

(Special to The Financial Chronicle)
CHICAGO, ILL.—**Sven Victor Platin** is now with **Dempsey-Detmer & Co.**, 135 South La Salle St.

(Special to The Financial Chronicle)
CINCINNATI, OHIO — **Benjamin E. Culbertson** has become connected with **Nelson, Browning & Co.**, Carew Tower. Mr. Culbertson was previously with Hill & Co. and McDonald-Coolidge & Co.

(Special to The Financial Chronicle)
CLEVELAND, OHIO—**William E. Baker, Frank L. Walker** and **Russell L. Zimmer** have joined the staff of **P. E. Kline, Inc.,** Union Commerce Building. All were formerly with the local office of Jackson & Curtis.

(Special to The Financial Chronicle)
CLEVELAND, OHIO—**Edward L. Worthington** has become associated with **Merrill Lynch, Pierce, Fenner & Beane**, 216 Superior Avenue, N. E. Mr. Worthington was formerly with Otis & Co. for a number of years.

(Special to The Financial Chronicle)
DETROIT, MICH.—**Clarence S. Dorst**, formerly with Wright, Martin & Co. and Goodbody & Co., is now affiliated with **Keane & Co.**, Penobscot Building.

(Special to The Financial Chronicle)
LONG BEACH, CALIF. — **Archie F. Patterson**, previously with Crowell, Weedon & Co. and Barbour, Smith & Co., has joined the staff of **Bayly Brothers**, 132 Pine Avenue.

(Special to The Financial Chronicle)
LOS ANGELES, CALIF. — **Frank Preston** is now with **Samuel B. Franklin & Co.**, 215 West **Seventh St.** He was formerly with G. Brashears & Co.

(Special to The Financial Chronicle)
MIAMI, FLA.—**D. Kirk Gunby** recently became connected with **B. J. Van Ingen & Co., Inc.**, Alfred I. du Pont Building.

(Special to The Financial Chronicle)
MIDDLETOWN, OHIO—**Walter J. Tobitt** has become associated with **Greene & Brock**, First American Bank Building. Mr. Tobitt in the past was manager of the bond department of L. D. Roberts & Co., New York City.

(Special to The Financial Chronicle)
PASADENA, CALIF.—**Bruce T. Work** has become connected with **Lester & Co.**, 234 East Colorado St. Mr. Work was formerly local manager for Merrill Lynch, Pierce, Fenner & Beane, and prior thereto for the Morrison Bond Co.

(Special to The Financial Chronicle)
PROVIDENCE, R. I.—**Lewis D. Tyler** has been added to the staff of Paine, Webber & Co., 15 Westminster St.

(Special to The Financial Chronicle)
ST. PETERSBURG, FLA. — **Howard Daniel Pomeroy** has become connected with **Cohu & Torrey**, Walgreen Building. **Edward Earl Cummings** also joined their staff recently.

(Special to The Financial Chronicle)
ST. LOUIS, MO.—**Charles E. Brenton** is now with **Stifel, Nicolaus & Co., Inc.**, 314 North Broadway.

(Special to The Financial Chronicle)
SAN ANTONIO, TEX.—**Marvin A. Thomasma** is now with **Russ & Company**, Frost National Bank Building. Mr. Thomasma was previously with McIntyre-McRoberts & Co., Inc., and prior thereto with Newman & Co.

DIVIDEND NOTICES

GUARANTY TRUST COMPANY OF NEW YORK
New York, March 4, 1942.

The Board of Directors has declared a quarterly dividend of Three Per Cent. on the Capital Stock of this Company for the quarter ending March 31, 1942, payable on April 1, 1942, to stockholders of record March 11, 1942.

MATTHEW T. MURRAY, JR., Secretary.

J. I. Case Company
Incorporated
Racine, Wis., March 3, 1942.

A dividend of $1.75 per share upon the outstanding Preferred Stock of this Company has been declared payable April 1, 1942, to holders of record at the close of business March 12, 1942.

THEO. JOHNSON, Secretary.

MARGAY OIL CORPORATION
DIVIDEND NO. 47

The Board of Directors of the MARGAY OIL CORPORATION has this day declared a dividend of twenty-five cents a share on the outstanding stock of the corporation of the issue of 160,000 shares provided by amendment to the certificate of incorporation of April 27, 1926, payable April 10, 1942, to stockholders of record at the close of business March 25, 1942.

J. I. TAYLOR, Treasurer.
Tulsa, Oklahoma, March 2, 1942.

E. I. DU PONT DE NEMOURS & COMPANY

WILMINGTON, DELAWARE: *February 16, 1942*

The Board of Directors has declared this day a dividend of $1.12½ a share on the outstanding Preferred Stock, payable April 25, 1942, to stockholders of record at the close of business on April 10, 1942; also $1.25 a share, as the first "interim" dividend for 1942, on the outstanding Common Stock, payable March 14, 1942, to stockholders of record at the close of business on February 24, 1942.

W. F. RASKOB, *Secretary*

NATIONAL DAIRY PRODUCTS CORPORATION

A dividend of 20¢ per share on the Common stock has been declared, payable April 1, 1942, to holders of record March 7, 1942.

GEORGE H. RUTHERFORD
February 26, 1942 *Treasurer*

DETROIT

LISTED AND UNLISTED SECURITIES

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Tomorrow's Markets Walter Whyte Says—

War and taxes dominating market factors. Market rally, based on relief of tax knowledge, not to be trusted. Congress still playing party politics. Stops on previously recommended stocks remain in force.

By WALTER WHYTE

It's all well and good to limit the scope of this column to a market discussion, analysis and forecast. But the fact is that there are so many other imponderables to consider today that to ignore them would be stupid.

* * *

First and foremost is the war. All other factors, when compared to it, pale into insignificance. Even taxes, which will now take an important place in newspaper headlines, hinge on the war effort and its success. Theoretically readers of this space are concerned with the stock market. Yet no stock market can go along without some encouragement from the events that today control it. I am not thinking of the SEC. For even if SEC regulations were changed, the market would still reflect (or anticipate) world conditions.

* * *

Ever since I've been in the Street (and that's more years than I care to remember) I have had it drummed into my head, that no matter what happens in any part of the world, the market will reflect or anticipate it. During the hectic twenties, through the buy-any-old-thing days of '29 and even up to 1937, this characteristic has been demonstrated. It was true when Dow first expounded his now famous theory and remained true when Peter Hamilton elaborated on it. For even if the world of those almost forgotten days did change, the fundamental concepts on which our stock market was based remained the same.

(Continued on Page 940)

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Baking Co. Attractive; U. S. Radium Looks Good

Hoit, Rose & Troster, 74 Trinity Place, New York City, have prepared a revised statistical report on Columbia Baking Company. The report, which states that 1941 earnings of the company are 23% higher than in 1940 despite heavier taxes, discusses capitalization and compares income figures for 1941, 1940 and 1939, gives dividend figures and a brief statement of financial condition. The company, it is stated, is prominent in the southern territory and offers particular advantages as a smaller baking company enjoying close control of production and costs and goodwill built up by knowledge of local needs and efficient satisfaction of those needs. Copies of this interesting report may be obtained upon request from the firm.

Hoit, Rose & Troster will also send upon request a detailed analysis of the current situation in U. S. Radium Corporation, a leading company in the luminous and fluorescent field. Demands of the Defense Program have stimulated the business of the company which manufactures and applies to dials for aircraft and other instruments self-luminous and fluorescent material. Financial condition is increasingly strong; the company has greatly expanded its organization, the report states, and this expansion is continuing, but equipment purchases and other expansion have been entirely financed out of earnings. The common stock, according to Hoit, Rose & Troster, is particularly attractive from an income and earnings standpoint and offers substantial possibilities for appreciation.

Foster, Smith Directors Of Beekman Hospital

Elisha Walker, of Kuhn, Loeb & Co., Chairman of Beekman Hospital, announces the election of J. Taylor Foster and Harold V. Smith to the Beekman Hospital board of directors.

J. Taylor Foster is well known in the security field; he is a partner in Spencer, Trask & Co., New York City, and is President of the Bond Club of New York. Harold V. Smith is one of the foremost insurance men in the country and is President of The Home Fleet of Insurance Companies.

"Petroleum On Parade"

An attractive booklet entitled "Petroleum on Parade" — The March of Civilization" has been compiled by Tellier & Company, 42 Broadway, New York City, members of the Eastern Oil Royalty Dealers Association. The booklet, attractively illustrated, discusses the place of oil in the world of today, shows interesting diagrams of oil wells, gives tables of crude oil production and describes what oil royalties are.

Copies may be obtained from Tellier & Company on request.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—36⅝, low—14¾, last—36⅝.

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

The Interstate Commerce Commission finally came out with its decision on freight rate increases late Monday afternoon. The increases were fairly generally in line with earlier expectations, as the financial community had become resigned to more favorable treatment for agricultural interests, and iron ore is such an important element in the defense effort that little had been hoped for on this commodity.

Briefly, most commodities are to be raised a flat 6%, agricultural, animal and general mine products 3%, and coal an average of somewhat better than 4%. There is to be no increase in rates on iron ore. It has been estimated that with a 10% increase in traffic over 1941 levels the new rates will bring in some $225,000,000 per annum in addition to the $50,000,000 expected from higher passenger fares. These will go a long way towards offsetting the wage increases granted last year.

Granting of the freight rate increases, while unquestionably of favorable import, received little recognition marketwise. For one thing there was some disappointment over the fact that the new rates are temporary (to expire six months after the war) while the wage increases they were designed to offset were made permanent. For another thing, the announcement coincided with opening of discussions on the drastic new tax proposals, and with adverse war news. Finally, the market had apparently become tired by the recurring rumors of an imminent decision almost daily throughout the preceding three or four weeks. Now that the decision has been handed down the market will be free from this one uncertainty and greater weight may be given to the less neubulous factors of actual traffic volume and demonstrated earning power under conditions as they exist today.

On the whole, traffic trends have not been too encouraging. Volume has been consistently downward since the year's high was established in the week ended Jan. 24. In four weeks Standard & Poor's index of loadings has declined from 89.9 to 83.7. However, comparisons with a year ago continue highly favorable (up 11.4% for the eight weeks ended Feb. 21 and 14.2% in the latest week), and the poorer-than-seasonal trend is considered a temporary factor. There have been important dislocations arising from the cessation of civilian manufactures in many lines, and conversion of these plants to war purposes has not been completed. In a few months it is indicated that the automobile industries will be operating at a higher rate on war materials than ever in their history on civilian products, and this will have an important influence on traffic. The Great Lakes will be opened as soon as possible to move the anticipated record tonnage of iron ore, the rails will be called on to handle an increasing volume of petroleum products because of submarine sinkings, and shortage of oil is expected to stimulate coal loadings. With all of these considerations, the seasonal trend should be sharply reversed over the intermediate future, with the possibility that last year's peak traffic may be topped midway in the second quarter. Thus, the traffic picture is distinctly encouraging.

In point of earnings, the opening month of the year witnessed a wide divergence which may well be carried through at least the next few months. The most striking feature was the excellent reports coming from practically all of the western roads, a group which normally operates at substantial deficits in the early months of the year. Atchison was the leader with a rise of more than 50% in gross and an increase in net operating income from $1,814,350 to $4,262,226. Northern Pacific operated profitably in January for virtually, if not actually, the first time in its history, Great Northern did almost as well and Southern Pacific reached new highs for both gross and net for any opening month. Southern Pacific's net was almost three times as high as a year earlier.

The western group will almost certainly continue in the van for some months to come. An important factor has been the greater balance of traffic arising from war conditions. Whereas freight movement is normally predominantly eastward there has been a sharp expansion in westbound freight, particularly marked since the outbreak of the Pacific war. This improved balance works towards greater operating efficiency and accounts for the relatively large proportion of increased revenues these roads have been able to translate into net.

In contrast, the eastern and Great Lakes carriers were fairly consistent in reporting declines in earnings for the first month of the year. They have not the favorable operating factors which have allowed the western carriers to offset wage increases, and they have been more adversely affected by the industrial dislocations. The operating factors will in all likelihood continue to make for relatively less favorable net results, but the traffic considerations are expected to be reversed within a few months. Moreover, the eastern group will be the greater beneficiaries of freight rate increases.

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(L. A. Gibbs, Manager Trading Department)

Our Reporter On "Governments"

(Continued from First Page)

is ¼% higher. . . . The cost increase, only ⅝ of a point. . . .

Another good one is to sell:

The 2½s of 1954/52 at around 103.6 and yield of 2.14%.

The 2½s of 1958/56 at around 102.15 and yield of 2.29%.

And to buy:

The 2¼s of 1955/52 at around 100.21 and yield of 2.18%.

Here again, the 2¼s appear especially attractive in relation to other issues, although for different reasons. . . . By making this switch, you cut your cost considerably—in one instance, by more than 2 points, in the other, by slightly less than 2 points. . . . The taxable feature is the same, except that you pay less on a 2¼% coupon than on a 2½% coupon, naturally. . . .

The call date on the 2½s of 1954/52 and the 2½s of 1955/52 is about the same. . . . On switching from the 2½s of the 1958/56 into the 2¼s of 1955/52, the call date is shortened. . . .

The most important fact, though, probably is that the 2¼s would be supported just as the 2s are now being supported, in the event of a declining market. . . . And you might find you gained tremendously by holding an issue which has a bottom only ⅝ of a point down. . . . On the other hand, if the market rallies, the 2¼s will be favored because they're still in the process of being distributed and will gain attention as the months go on. . . . In addition, the switch from the 2s to the 2¼s is bound to become more popular as time goes on.

These are good ones. . . . Follow them and you've a fine chance of making some profit and getting an opportunity to reverse yourself and regain your original position in a month or so. . . .

Inside The Market

Market extremely dull these days, indicating utter lack of interest for the time being. . . . Odds favor continued dullness until middle or latter part of this month, due to attention now on tax payments, foreign developments, etc. . . . Traders wearied by last financing, taking a rest for the next few weeks. . . .

Payments for the last issue of $1,500,000,000 of 2¼s caused substantial changes in banking figures. . . . For instance, excess reserves sank to the lowest level since September, 1938, at $2,800,000,000, off $580,000,000 in the week. . . . In New York, excess reserves fell to $885,000,000, off $165,000,000 to the lowest level since November, 1941. . . . New York City banks apparently bought $188,000,000 of the bonds, since their holdings were up that much. . . . And total loans and investments of the banks in the New York district rose to a record high of $12,470,000,000. . . .

On this question of purchases of bonds by various types of institutions, a study by First Boston Corporation recently is of special interest. . . . The concern's survey showed that although four months after a financing date, commercial banks had disposed of large amounts of the securities originally bought, they remained major investors in the issues. . . . The survey covered three flotations of taxable bonds—the 2½s of 1954/52, the 2½s of 1958/56 and the 2½s of 1972/67—and indicated clearly that at the end of a period of redistribution of the securities (four months) the commercial banks held 30% of the entire amount issued, savings banks held 22%, insurance companies held about 20% and "others" about 28%. . . .

No further information out on decrease in reserve requirements of member banks and story may just drift around until market again needs support. . . . If it does, report will be "revived" to see effect of story alone and if that is not sufficient, action may—and probably would—follow. . . .

Attempts being made in Congress to curb authority of Reserve Banks to buy Government bonds direct from the Treasury are expected to fail before war powers bill finally is passed and sent to White House. . . .

No new financing anticipated now for at least six weeks. . . . And attention will be centered on intensified drive to distribute defense bonds. . . .

Bank and Insurance Stocks

As the 1941 insurance company statements come in, one of their outstanding features is the maintenance of "liquidating" values (stockholders' estimated equity) in the face of generally lower security markets.

For example, seven active casualty stocks on which complete official reports are available show a 5% gain in liquidating values per share, from $447.61 Dec. 31, 1940, to $470.47 Dec. 31, 1941; while 13 active fire stocks show a 6% decline, from $946.62 to $889.87, which, however, was much lower than the 15% decline for the general stock market as measured by the 65-stock Dow Jones average.

Corn Exchange Nat'l Bk. & Tr. Co.
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First National Bank
Girard Trust Co.
Penna. Co. for Ins. on Lives etc.
Philadelphia National Bank
Phila. Transportation Co.
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Phila. Phone Locust 1477
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In other words, despite the depreciation in portfolio values of insurance company holdings, liquidating values of insurance stocks did better than the general market for 1941. This might seem paradoxical, considering that the greater part of liquidating values is represented by holdings of securities; but is readily traceable to the substantial expansion in premium volume for 1941.

This expansion in volume, which carried in some companies to the highest levels ever written and in others to the highest levels since the boom years, had the effect of bringing in a large amount of new money, causing aggregate assets to rise despite the security market depreciation on existing security holdings. On the liabilities side, this expansion in volume is reflected in the rise in fiduciary funds, such as unearned premiums on term policies and reserves for losses and claims.

Profit experience on the increased volume shows great variation, even if "statutory" (earned) underwriting profits are adjusted for credit for the increase in unearned premiums. As shown below, the seven casualty companies had 20% better adjusted underwriting gains, but the 13 fire companies showed a 29% drop in adjusted underwriting gains.

Perhaps the flat 40% adjustment for credit for increased unearned premiums does not do full justice to the fire companies, as current loss and expense ratios could justify a larger credit in some cases. Thus, 56 fire companies which have filed show according to Best's figures an incurred loss ratio of 50.4%, but expense ratio on the larger volume of business was only 44.0%; and, in fact, the 3-point rise in the loss ratio was almost fully offset by the 2-point drop in the expense ratio, and combined they indicate an underwriting profit margin of better than 5%. However, although a loss ratio of 50% would justify more than 40% credit for rise in unearned premiums, it is considered more conservative in figuring such credit to allow a margin for fluctuations.

Unearned premiums for the 56 company group rose nearly 11% for 1941, so that only a small "statutory" underwriting profit is shown. Even allowing 40% credit for expansion in unearned premiums, however, the 13 active fire stocks tabulated showed a decline in per share underwriting gains from $19.74 to $14.07, or 29%. There were some notable exceptions to this trend toward lower underwriting profits, four leading New England companies reporting better underwriting gains for 1941.

Nevertheless, the general tendency toward lower underwriting profits and the likelihood of a high loss period under war-time conditions poses the problem of how to improve underwriting results, so assure a continued fair "growth factor" — the amount ploughed back to surplus—and strengthen surplus at this time of mounting underwritten risks. Since most of investment income is used to cover dividends to stockholders, most of the ploughed-back earnings must come from underwriting. Maintenance of adequate fire rates is essential, but in addition, it appears that companies could voluntarily do a job of trimming expenses, despite higher operating costs.

Expense ratios, for example, during the year immediately before and during World War I were kept by fire companies below 40% of premiums written, despite the absence at that time of economic controls designed to hold down rise in prices and living costs. In fact, this low expense ratio was responsible for underwriting profits during World War I, as loss ratios averaged over 56% for the six years 1914-1919.

On investment income, however, both the casualty and fire companies did well for 1941. Casualty companies fared rather well, considering that as a group they hold more in cash and bonds that the fire companies. Investment income rose an average of 5% for the casualty companies listed below, compared to 7% for the fire companies.

Calculated on a per share basis, 1941 results of the seven casualty stocks and 13 fire stocks are as follows:

	Prem. Volume	Liquidating Value		Operating Earnings Und'g. Gain		Operating Earnings Investment Income		Annual
Casualty:	Gain	12-31-'41	12-31-'40	1941	1940	1941	1940	Divs.
Aetna Cas. & Surety	19.5%	$122.59	$114.68	$11.35	$8.17	$5.97	$5.01	$5.00
American Re-Ins.	29.8	46.85	45.12	3.89	3.15	1.98	1.90	1.70
Cont'l. Casualty	10.5	37.67	*37.97	2.32	*2.90	1.73	*1.73	1.50
Fidelity & Deposit	4.6	145.49	140.88	13.16	12.19	4.70	5.07	6.00
New Amsterdam Cas.	8.9	22.05	21.01	1.19	1.83	1.64	1.54	0.87½
Standard Accident	20.3	68.77	64.27	7.56	5.44	2.14	‡1.26	2.50
U. S. Fid. & Guar.	14.2	27.05	23.68	4.79	3.25	1.61	1.47	1.00
Fire:								
Aetna (Fire)	17.3	53.58	55.91	0.66	0.83	1.92	1.95	1.80
Agricultural	13.0	80.75	89.80	0.07	1.87	4.57	3.99	3.25
Automobile Ins.	19.3	†39.24	†38.33	2.17	1.49	1.75	1.61	1.40
Bankers & Shippers	—0.9	99.34	109.31	—1.70	1.49	6.35	5.88	5.00
Camden Fire	12.4	20.83	22.12	0.20	0.53	1.26	1.30	1.00
Continental Ins.	19.4	37.28	39.55	0.59	0.88	2.35	2.23	2.00
Fidelity Phenix	14.0	38.60	41.10	0.81	0.94	2.61	2.38	2.00
Hartford Fire	13.1	79.17	76.87	3.12	2.37	3.11	2.98	2.50
Jersey Insurance	11.3	54.94	58.20	0.19	0.56	2.80	2.59	2.00
Northern Insurance	5.4	99.30	107.28	0.93	1.95	5.11	5.08	5.00
Pacific Fire	8.1	127.54	133.89	1.44	3.47	7.23	6.50	6.00
Security (N. Haven)	26.0	43.71	44.89	1.98	0.74	1.83	1.73	1.40
Springfield F. & M.	16.0	125.59	129.37	3.61	2.62	5.44	5.21	4.75

*Adjusted to present capitalization. †Bonds amortized. ‡After preferred dividends.

Since per share figures generally are not uniformly available to dealers and since the computation in some cases, as for example casualty stocks, is technical, it is hoped that these per share figures compiled from official New York statements will be helpful in connection with insurance stock business, and additional data of this type will be tabulated from time to time as additional official figures become available.

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HEAD OFFICE—Edinburgh
General Manager
William Whyte
Total number of offices, 258
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Capital (fully paid) £3,780,192
Reserve fund £4,125,965
Deposits £69,921,933
Associated Bank
Williams Deacon's Bank, Ltd.

Australia and New Zealand
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
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Reserve Liability of Prop. 8,780,000
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Aggregate Assets 30th Sept., 1941 £150,939,354
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Reserve Board Changes Stock List Publication

The Board of Governors of the Federal Reserve System announced on Feb. 25 the following change in publication of its "List of Stocks Registered on National Securities Exchanges":

> For several years the Board of Governors has issued a List of Stocks Registered on National Securities Exchanges, the list being issued in connection with the Board's Regulation U which applies to loans by banks for the purpose of purchasing or carrying such stocks. The list has been distributed to all member banks of the Federal Reserve System and to all nonmember banks.
>
> Since, under present conditions, there is little demand for these lists and since the board is adopting war-time economies with respect to its publications in general, it has been decided not to republish any complete list during 1942, but to make supplementary lists available from time to time.
>
> These lists will henceforth be distributed by the Federal Reserve Banks and only upon request. The next issue, a supplementary list to be released today, will indicate changes made between Jan. 31, 1940, the date of the last complete list, and Jan. 31, 1942. Those who require copies of this or subsequent lists should address their requests to the Federal Reserve Bank of the district in which they are situated, or to a branch of the Federal Reserve Bank.

Become Principals

McKinsey & Co., 60 East 42nd Street, New York City, management consultants, announce that Howard C. Adams, Harrison A. Roddick and Alf E. Werolin have become principals in the firm. All of the men have been associated with the firm for a number of years.

The Securities Salesman's Corner

WE PRESENT SOME PROBLEMS

During the past few months, this column has had as its primary purpose, the presentation of ideas to help securities salesmen increase their business. With your kind permission, during the next few weeks, we are going to digress from the usual pattern of our ways and take up some of the problems of present day security selling as we see them.

The problem we have chosen for this week is an old one. Yet, we believe it illustrates one of the most serious flaws in our whole set up of securities distribution.

What are we going to do with the people who do not know the fundamental principles necessary for successful investing and meanwhile insist upon compelling a securities salesman to sell them the type of securities that they wish to buy.

In our experience this common type of recalcitrant securities buyer presents one of the most difficult accounts that any salesman can run up against. To make things more complicated such an individual's business is more than likely very profitable. Since we must sell securities, or find some other way to make a living, we are forced to make concessions to the ego of such a person, or else forego the commissions upon which we are dependent for our income.

There have been times when we will admit that it has been all we could do to smile, and say yes, and agree, and nod in assent, and smile again — while inside we were bursting to say, "No, you confounded jackass; even a 10-year old kid ought to know better than to put a bond like that into your portfolio. But we kept quiet. We took the order. We left with good will behind us. But we didn't do a good job. There was something missing. Instead of doing a constructive, creative piece of work by helping to build a sound investment structure—we were just an order taker.

We think there are a great many investors that fit in somewhere in this particular group. What can be done about them? We have thought about it for many years but there still seems to be no general solution that can be applied to such cases. First, it is undoubtedly a question of individual treatment. How do you get a supremely egotistical person to see anything but his own shining brilliance? What do you do with the fellow who says, "I was smart enough to make it myself and I am smart enough to invest it myself." Such a person little realizes what a vast gulf divides capital accumulation and successful investing.

Then again, here is the type of person, who usually needs the help of a thoroughly competent advisor in the supervision of his portfolio. He is the very one who ends up his career with a bank box full of worthless paper and more than likely then yells the loudest about the sins and pitfalls of Wall Street. He's the fellow who helped to bring on the SEC and its over regulation of the securities business. He represents some of the victims of those fly-by-night, interlopers, who invited themselves into the securities business during the 'twenties, and who contributed to past abuses by going out into the highways and by-ways seeking for just such people, because they could easily play upon their vanity and their greed. The "know it alls" are present in every walk of life. No amount of the SEC regulation or prospectuses will protect them from their own follies. They pick their own, they make up their own minds, they know all the answers.

As to the solution—the best we have ever been able to do, is to try to be as tactful as possible with such an account. Then slowly try to educate—at least we try to put a common sense viewpoint before such people. If there is anything that is particularly obvious to any competent investment man today it is that to be successful in handling an investment account under present conditions, it's not alone essential to have had years of specialized experience behind you, but one must be as flexible as a willow reed in a tornado, in regard to preconceived notions and set ideas. Constant changes must be made in every portfolio, if it is to be kept healthy. Sometimes we think we have made a little headway in leading the horse to the water of common sense, but usually, we must admit, we have been unable to have made him drink.

If there is such a thing as reincarnation, and should we kneel again at our crib to say our prayers, probably we'd say something like this, "and please, God, show those fellows down in Wall Street some way to educate people to know and understand a little more about their investments, their way of life, and the country in which they live. And one more thing, God—when I grow up this time, please don't make me a bond salesman all over again."

Our Reporter's Report

(Continued from first page)

Sanguine On Treasuries

There is little or no misgiving in investment circles over the ability of United States Government securities to withstand such adverse developments as may be ahead before the fortunes of war turn for the better for the Allied Nations.

C. J. Devine & Co., who specialize in governments, cite the resistance of the group to unfavorable events thus far. The firm points out that the Treasury, and its kindred government agencies, by reason of the vast refunding and new borrowing which the former must accomplish, hold the key to the situation through control of money rates.

"The ability of the market to withstand adverse developments," says the firm, "is an indication of the efficacy of modern methods of monetary control in keeping interest rates at a low level."

If the Government is determined to protect its borrowing position by keeping rates low, it is argued in the trade, its issues, which are the keystone of the investment market may be expected to set the pace for corporate issues much as they have in the past.

Spreading Them Out

Public offering of the Schenley Distillers Corporation's $15,000,000 of ten-year 4% sinking fund debentures, brought something new in the way of underwriting and distribution procedure.

Adopting an entirely new tack, the banking group which underwrote this issue announced that it stood ready to accept subscriptions from dealers holding membership in the National Association of Securities Dealers, Inc., on a "first come first served," basis. Dealers were allowed the full concession of 1½% on the issue.

This was viewed in bond circles as tantamount to giving the dealers who took down lots of the issue full participation in the syndicate, and as assuring the ultimate in breadth of potential market.

A Long Time Since

An interesting sidelight developed in connection with the Pennsylvania Electric offering, one that carried some of the old-timers in the Street back rather a long way.

The main offices of the Mellon Securities Corporation, managing the syndicate, are in Pittsburgh but the firm has a large office at 14 Wall Street, New York City.

Dealers with orders for the bonds found it necessary in instances to put on their hats and wend their way to the Bankers Trust Building to place such orders by hand.

The result was quite a lengthy line of potential buyers in the vicinity of the branch office, a condition which has not been witnessed in Wall Street in some years.

Municipals' Rally Extended

Municipal bonds extended the recovery that has been in progress from the low levels reached in the wake of the Treasury's announcement, several weeks ago, of its determination to seek to make such issues, future and currently outstanding, subject to taxation.

Mounting opposition to the proposal has been noted ever since Secretary Morgenthau raised the question of the status of outstanding issues. Congressmen and Senators have been hearing from the folks back home, chiefly from Governors and Mayors whose budget stability appeared threatened.

Now the report is current that the Treasury, presumably taking its cue from indicated sentiment in Congress, where there is evidence of strong opposition to changing the status of outstanding issues, is about ready to drop that part of its plan.

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Transfer of the Exchange membership of Rawson G. Lizars to Herman Lowitz will be considered on Mar. 12th. It is understood that Mr. Lowitz will act as an individual floor broker.

Transfer of the Exchange membership of George J. Stockly, a partner in Pell, Peake & Co., to Frank Lewisohn will be considered on Mar. 9th. Mr. Lewisohn will engage in business as an individual floor broker.

Transfer of the Exchange membership of Henry B. Day, deceased, to Frank A. Day, partner in R. L. Day & Co., in which Mr. Henry Day had been a partner, will be considered on Mar. 9th.

J. Averell Clark, member of the Exchange, retired from partnership in Bendix, Luitweiler & Co., New York City, as of Feb. 20th.

Mark L. Freeman retired from partnership in Charles Clark & Co., New York City, as of Feb. 28th.

Raymond de Clairville, Exchange member, withdrew from partnership in Gwynne Brothers, New York City, as of Mar. 2nd, to become a partner in the firm of Tuller, Crary & Co.

Douglas R. Coleman retired from Mitchell, Hutchins & Co., Chicago, Ill., on Mar. 1st.

William E. Tobias, Jr., member of the Stock Exchange, retired from partnership in F. P. Ristine & Co., Philadelphia, on Feb. 28th.

George W. MacFarland, partner in Wurts, Dulles & Co., Philadelphia, died Feb. 21st.

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Investment Trusts

While some portions of the rampant New Deal Labor Movement and some political demagogues have been busy painting a black picture of business and business men generally for the past decade, far too little has been said by business in its own behalf—and a good deal of what has been said has been directed to the business man himself, who is not the one that really needs the convincing. Business and business men certainly are public spirited, but while they advertise their products they neglect to advertise their good works.

This may seem a far cry from investment companies. But it is not. One of the chief troubles with Wall Street today is that the public, or a large part of it, has had its faith in business destroyed. That faith having been destroyed, the public will not fight for the cause of business, and will not entrust its savings to business—at least not directly. Thus it falls to those interested in fostering investment to spread the gospel of business. The more said, the better, if it is written for the general public to understand and not just for those who already hold the same views.

Most of the investment companies have recognized this need for sound public relations. During the hearings on the Investment Company Act they presented their own case forcefully and clearly. But even before that time, and to a greater extent since, they have been pushing the cause of general industry.

Recent issues of Lord, Abbett & Co.'s monthly *Background* have been devoted almost exclusively to this cause. One "paragraph" from the latest issue should be particularly helpful.

We quote: "In analyzing the responsibility placed upon American industry, it is well to review briefly the contribution that industry has already made toward victory.

"When Germany invaded Poland, in 1939, American industry was just emerging from the 1938 business reaction. Then, came Hitler's blow, and history was on the move.

"Nevertheless, war orders from Great Britain and France did not arrive in particularly great volume; on the contrary, it is interesting to recall, Franco-British buyers seemed more interested in price than speed, and the two nations were leisurely planning to develop productive facilities within their dominions and colonies.

"However, a few American companies foresaw the possibility of a long war, and began preparing for greater production responsibilities. An example is supplied in the action of the American Car & Foundry Company. One afternoon, its President, Charles J. Hardy, said to the Board of Directors: 'Gentlemen, this war is more serious than it appears. It will last much longer than six months. It may even spread to this country. Consequently somebody around here had better get busy making armor plate for armor tanks. It will be needed.' With the Board's approval, a sizable sum was set aside to build a costly armor plate mill and today the company is producing armor plate for the Government as well as manufacturing all the tanks its great productive capacity will permit.

"By 1940, when President Roosevelt decreed a national defense emergency, many companies immediately laid plans for converting a large part of their plants to war work. At the order of A. W. Robertson, Chairman, Westinghouse Electric completed a top-to-bottom engineering analysis of its varied facilities and skilled personnel; determined what specific types of war equipment the company was best equipped to manufacture, and submitted this detailed report to the Government, stating that the company would undertake any responsibilities that the Government should want it to assume. General Electric launched a $60,000,000 plant expansion and improvement program to take care of Government requirements. The company also instructed its engineers to concentrate on developing electrical equipment that could best serve the military service. One notable product of this specialized research is the turbo-generator, which gives an airplane the lift that is necessary to carry it into the rarefied stratosphere. Without the turbo-generator the Flying Fortress would not be effective as a war weapon.

"During 1941, when the United States was training an army of 1,800,000 men, laying the keels for a two-ocean navy and enlarging its air forces, industry converted 30% of its total manufacturing capacity to war work.

(Continued on Page 939)

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Municipal News & Notes

Secretary Morgenthau continues to dwell upon what he is pleased to describe as "special privileges," and "loopholes" in the current American system of taxation. Naturally, one of the most prominent of these "privileges" in the eyes of the Administration is the continuation of the time-honored exemption of municipal securities. He still insists that taxing the interest of future and outstanding issues of State and municipal securities would yield $200,000,000 a year to the Federal coffers. In his tax message to Congress on Tuesday he revived the old saw that persons with large taxpaying ability take refuge in such exempt securities.

This despite the fact that Mr. Morgenthau has been deluged from all sides by indignant reactions to his Cleveland speech in which he added outstanding municipal securities as well as future issues, thereby going the President one better. The recognition on the part of municipal officials of their moral obligations to protect holders of their city's bonds from retroactive Federal income taxation has evoked bitter comments as to the proposed violation by simple legislative action of fundamental legitimate contracts.

It is the opinion in Congressional circles that the enactment of such a radical proposal as the Secretary's would constitute a breach of contract and faith and would be found invalid. However, under the stress of wartime conditions, it is felt that this "red, white and blue herring," as Dr. Harley L. Lutz of Princeton, called the recommendation, might be pushed through under duress, so to speak. In a recent poll of Congressional opinion on this tender matter, one Senator, who did not want to be quoted by name, made this interesting point:

"It is easy to cast about and hit upon taxation of securities as an easy way to make money for the government. But it is nearly always overlooked that by doing this you are not just taxing the bondholders, the people with money.

"Actually you are taxing the public, the ultimate taxpayer. For if state and municipal securities are taxed, the issuers will have to pay a higher interest rate to offset the federal tax and make the securities saleable.

"This simply means that the local governments have to pay more for the money they borrow, and the public are the persons who are paying that money in the long run.

"It may be necessary to obtain this additional revenue in this way, but it should not be passed off as a luxury tax or something that will not affect all of us, for it will."

Resistance to Tax Proposal Opens

Dr. Lutz's characterization of Mr. Morgenthau's proposal was quoted above. This well versed professor of public finance has estimated that a Federal tax on local borrowing would increase charges by as much as $175,000,000 a year. The Conference on State Defense, an organization familiar to all municipal men, has stated that determined opposition to these additional imposts will be strenuously opposed, since they will have to be reflected in increased real estate taxes.

The conference listed 14 State Governors and ten State Attorneys-General who have already communicated their opposition to the proposal to the representatives of their states in Congress, and pointed out that it is understood that the Governors of other States throughout the Midwest and West have taken similar action.

Large Price Decline Has Been Registered

Last Autumn the Dow-Jones municipal bond average showed a return of about 1.90% for 20-year maturities. At the end of last week this yield has risen to about 2.60%. For a bond bearing a 3% coupon this means a drop of roughly 12 points in price. As those in the trade know, such a decline in the average price of municipals is most unusual.

This wide swing was not brought about through a change in the security behind such bonds, not the result of a panic induced by war, nor of a drastic change in the general level of interest rates. It has not been paralleled by a comparable decline in high grade corporate bonds, and is very much smaller than the decline in long-term United States Government issues. In fact, it can fairly be stated that the major portion of this decline is the result of the above unethical tax threat.

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It is estimated that there are outstanding approximately $19,500,000,000 state and municipal bonds. It is not improbable that the market value of these securities is today less than it was last Autumn by very close to $1,000,000,000. Against this shrinkage in value can be set the Treasury's estimate (which has been seriously questioned) of a possible 200,000,000 of taxes that could be raised by making these tax exempt securities fully taxable.

States To Avoid New Taxes In Financing War Expenditures

The states expect to finance their war expenditures for the next year or two without resort to additional taxes, if state emergency authorizations already approved by five legislatures are an indication, the Federation of Tax Administrators reports.

These states, which set up emergency funds by special sessions, are California, Illinois, Maine, Massachusetts and Michigan. Appropriations were designated mainly for expansion of state guard units, additional police, state defense councils or other "war" requirements.

Although reduced revenues are anticipated from certain taxes by all five states, increased yields from other taxes, savings on relief expenditures, and surpluses in the treasury were cited as possibilities for meeting the war outlay.

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The revenue picture of these five states, as for most states, is a changing one, the Federation said. Decreased yields from gasoline taxes and automobile registration fees are bound to be common. Sales tax yields from such articles as automobiles, tires and tubes, washing machines, radios and typewriters, will decline.

On the other hand, current wage and salary increases can bring in more revenue to states with income and general sales taxes. Tobacco and utilities taxes also will tap this improved buying power.

The deduction of Federal taxes will affect some state income tax yields, it was pointed out, as will the fact that tax payments by persons drafted into military service may be delayed if their ability to pay is impaired.

Canadian Government Takes Over Tax Collection Field

Canadian provinces, under arrangements tentatively approved, will receive $81,000,000 a year from the Dominion government for the duration of the war as reimbursement for vacating the personal income and corporate tax fields, the Federation of Tax Administrators states.

In addition the Dominion government, in taking over these two types of taxes, will pay fiscal need subsidies totaling $3,200,000 to five of the provinces, and will make up to all the provinces any decrease, using 1940 collections as a basis, in the year's gasoline tax collections. The Dominion government this year for the first time is imposing a gasoline tax, of three cents a gallon.

Two reimbursement plans were offered the provinces under the arrangements which will require formal legislative approval before becoming effective.

One plan, adopted by five of the provinces, gives them compensation from the Dominion treasury equal to the revenue they and their municipalities had collected from personal income and corporation taxes in the fiscal year ending nearest Dec. 31, 1940. This plan was adopted by the provinces of Alberta, British Columbia, Manitoba, Ontario and Quebec.

The alternative proposal was for the Dominion to pay an amount equal to the net debt service of the province during the year ending nearest Dec. 31, 1940, less the revenue obtained from inheritance taxes in that fiscal period. This plan was adopted by New Brunswick, Nova Scotia, Prince Edward Island and Saskatchewan.

N. Y. Port Authority's 1941 Income Gains

Favorable revenue records of the Port of New York Authority in 1941 and previous years, together with the financial policies followed, put the agency in the position in 1942 to meet almost any conceivable war-time falling off in traffic, the Port Authority announced Monday. A drop could be borne in gross operating revenues of as much as 40%, something which is believed improbable and has not been forecast by anything that has happened since Jan. 1, 1942, it was added.

The financial result reported for 1941 showed an increase of 36% in net revenue available for sinking and reserve funds, after interest and operating charges, the Port Authority said.

Total operating revenue and income in 1941 was $18,711,641, an increase of 10%. All bridges and tunnels and the Port Authority Commerce Building shared in the advance, it was asserted, with 63% of the revenue derived from passenger cars and 28% from buses and trucks combined. The net available for sinking funds, etc., amounted to $8,740,131.

Detroit Refunding Sale Revived

Officials of Detroit, Mich., are said to have again decided to proceed with plans to enter the market with approximately $28,900,000 of refunding bonds. The sale probably will be held early in April, as it is required by law that the city announce its intention to award the issue at least 30 days in advance.

Present decision to revive the refunding was arrived at after officials concluded that the municipal market might remain unsettled for some time and that the long run benefit to the city would more than compensate for a slightly higher yield on the new bonds. Rearrangement of the maturities through refunding will level out debt service requirements, a factor which would help the new budget which is now under preparation.

Cleveland Flotation Expected

The City of Cleveland is expected to advertise for bids within the next few days on a $17,500,000 issue of mortgage revenue bonds proceeds from which will be used to purchase Cleveland Railway Company stock at $45 a share. The council approved legislation last week paving the way for the bond issue. Stockholders of the company approved the sale to the city last November at a special meeting. Sale of the bonds, it is believed, will be scheduled for March 30, which is the expiration of a 30-day referendum period, in which objections to the purchase may be filed.

Survey Finds Municipal Officials Generally Competent

That much discussed—and often cussed—part of American political life, the local city administration, seems to be a more competent body than it is usually given credit for. At least that is the logical conclusion to be drawn from a confidential survey of 56 leading American cities by the Mortgage Bankers Association of America announced recently.

Mortgage bankers in these 56 cities were asked whether, in their opinion, their "city administration is sincerely thinking about and trying to solve municipal problems such as providing better parking facilities, better transportation and, further, whether members of the administration have any vision and imagination regarding modern city planning problems."

Mortgage bankers in 43 of these cities declared that as far as their own city administrations are concerned, the answer was decidedly yes. Mortgage bankers in the other 13 said no, but several qualified their opinions. Typical was the view that "the boys in the city hall are trying."

The survey was another in a series being made by the Mortgage Bankers Association to collect data with a bearing on metropolitan real estate problems, urban decentralization, city planning and related subjects. This question was studied, said Frederick P. Champ, Association President, merely to get some indication as to how mortgage men

Interest exempt, in the opinion of counsel, from all present Federal Income Taxation

$2,000,000

Harris County, Texas

2.20% Bonds

Due March 10, 1943 to 1962, inclusive

These Bonds, to be issued for road and bridge purposes, in the opinion of counsel will constitute valid and legally binding obligations of Harris County, of which Houston is the county seat. They are payable from ad valorem taxes levied against all the taxable property therein, within the limits prescribed by law.

Prices to yield 0.60% to 2.20%

These bonds are offered when, as and if issued and received by us and subject to approval of legality by Messrs. Dillon, Vandewater & Moore, whose opinion will be furnished upon delivery.

HALSEY, STUART & CO. INC. UNION SECURITIES CORPORATION KIDDER, PEABODY & CO.
HEMPHILL, NOYES & CO. EQUITABLE SECURITIES CORPORATION
MAHAN, DITTMAR & COMPANY SAN ANTONIO THE FORT WORTH NATIONAL BANK FORT WORTH

Dated March 10, 1942. Principal and semi-annual interest, March 10 and September 10, payable in New York City or Houston, Texas. Coupon bonds in the denomination of $1,000. The information contained herein has been carefully compiled from sources considered reliable, and while not guaranteed as to completeness or accuracy, we believe it to be correct as of this date.

March 5, 1942.

UNITED STATES FIDELITY and GUARANTY COMPANY

BALTIMORE, MARYLAND

Forty-Sixth Financial Statement, December 31, 1941

ASSETS

Cash on hand and in banks		$14,153,393.63
Bonds and Stocks*		42,137,686.08
Loans secured by pledge of collateral		1,226,933.80
Premiums in course of collection, not over 90 days due		7,034,459.29
Reinsurance due, secured claims, and advances		147,820.02
Deposits, Workmen's Compensation Reinsurance, U. S. Aviation Underwriters		333,621.90
Company's office buildings—less depreciation reserve		3,491,908.84
Other real estate—less depreciation reserve		84,834.42
Interest due and accrued		176,227.86
Total Admitted Assets		$68,786,885.86

LIABILITIES

Funds held under reinsurance treaties		$ 260,968.50
Legal Reserves:		
Claims	$24,039,090.61	
Taxes and expenses	4,482,726.36	
Commissions	1,373,826.94	
Unearned premiums	17,555,189.70	
Total		47,450,833.61
Reserve for depreciation of Securities*		480,692.63
Reserve for dividends payable January 15, 1942		500,000.00
Voluntary Contingent Reserve		800,000.00
Capital	$ 2,000,000.00	
Surplus	10,000,000.00	
Undivided Profits	7,294,391.12	
Surplus as regards Policyholders		19,294,391.12
		$68,786,885.86

*Bonds valued on amortized basis, and all other securities at convention valuations (December 1, 1941 market prices), as prescribed by the Committee on Valuations, National Association of Insurance Commissioners. The reserve of $480,692.63 represents difference between December 1, 1941 and December 31, 1941 market valuations.

If bonds and stocks were valued at December 31, 1941 market prices, Undivided Profits would be increased $1,107,425.30.

Securities in the amount of $2,593,500 (par value) in the statement are deposited as required by law.

feel about a problem which will be among the most important for real estate in the post war period.

Security Factors Behind Municipal Obligations

In their bulletin on "Municipal Bonds and War Developments," the following conclusions are drawn by Barcus, Kindred & Co., 231 South La Salle St., Chicago, Ill.:

As to basic security, General Obligation Municipal Bonds differ from a group of corporation securities where earnings may be seriously affected by priorities, loss of markets, or impairment of paying ability.

We do not see anything in present war developments that should affect the certainty of payment of the average Municipal Bond.

Farmers and individual property owners should be able to pay their taxes under conditions that may develop, as well as they have during recent depression years.

It is even possible that farm and labor conditions will improve because of the war demand for products, but in any event, payment of Municipal bonds is from taxes, and not from earnings which may fluctuate widely.

Industries in Municipalities are usually diversified—a few concerns may suffer—others may have an increase of activity—but even those which suffer in earnings, and an inadequate return on their property investment, would ordinarily find it necessary to pay their taxes. And the average cross section is almost certain to show an increase of activity.

Taxes to operate schools and other municipal activities should continue, and the moderate portion necessary to pay debt charges should continue to be available.

The holder of Municipal Bonds does not have the opportunity of doubling his income, but as yet there does not appear to be anything in present war conditions that woud affect the certainty of getting his payments as they fall due.

State Systems Of Local Finance Reporting Need Improvement

If all 48 states gathered uniform financial statistics on local and state government, as they do vital statistics, the allocation of revenues and activities among Federal, state and local governments could be made on a more simple and proper basis. Though all but eight states receive some reports on the finances of local government, municipal finance authority Dr. Kilpatrick said, the wide diversity of practice in reporting and the limited statistics assembled "result in virtually no reporting system in a number of states."

Financial reporting is one of five chief functions in connection with municipal purse strings which the states oversee. Besides being an important factor in state supervision of accounting, auditing, budgeting and debt, financial reporting is a means of informing citizens how their town compares with its neighbors, the study said.

Development of state reporting on local finances has been slow, according to the study. The average person is best acquainted with reports of tax levies and collections. Fairly comprehensive fiscal information now is collected by 34 states for counties, by 22 states for municipalities, and by 19 states for other local units.

Only 10 states annually issue a comprehensive report on both county and municipal finance. They are: California, Indiana, Iowa, Massachusetts, New Hampshire, New Jersey, New Mexico, New York, Ohio and Oklahoma. These states all supervise local accounts, audits and budgets also.

Although state supervision of local financial reporting is scattered among agencies ranging from the State Tax Commission to the Department of Revenue, some of the States are beginning to modernize their reporting forms in accordance with recent changes suggested by the U. S. Bureau of the Census.

Under the Census Bureau system of reporting, expenditures are analyzed by activities instead of solely by general functions so that more scientific comparisons may be made between costs of services in various communities. Personnel, likewise, is reported not only in terms of salary payments but according to the number of fulltime and part-time employes in each activity. Capital outlays and current supplies are classified according to physical quantities of materials.

To gain adequate reports of local finances, the study said state governments should employ a trained statistician whose time is devoted to this purpose, coordinate statistics gathered by various departments, and designate local reporting officers.

The study suggested also that financial reports of local government, to be most effective, should be issued often and in an easily read form, perhaps as newspaper releases or as news letters.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

March 9th

$650,000 Tarrant Co., Tex.

Last April, the county awarded an issue to a syndicate headed by the Harris Trust & Savings Bank of Chicago, whose bid topped that entered by Rauscher, Pierce & Co. of Dallas, and associates.

(Bids will also be received for only $150,000 of the offering.)

March 10th

$1,112,000 Lucas Co., Ohio

A small issue of bonds was awarded last June to Braun, Bosworth & Co., and Ryan, Southerland & Co., both of Toledo, jointly. Second high bid was entered by Stranahan, Harris & Co., Inc., of Toledo.

$1,925,000 Houston, Texas

In August, 1940, the city awarded bonds to the Central Republic Co. of Chicago. Second highest bid was submitted by City National Bank & Trust Co., Kansas City.

Frank Millspaugh With B. C. Christopher & Co.

(Special to The Financial Chronicle)

JOPLIN, MO.—Frank C. Millspaugh has become associated with B. C. Christopher & Co., 118 West Fourth St. Mr. Millspaugh was formerly with Wise & Smoot, Inc., and the Cragin Investment Co.

Walter Rooney Joins Steiner, Rouse Staff

(Special to The Financial Chronicle)

NEW ORLEANS, LA.—Walter J. Rooney has become associated with Steiner, Rouse & Co., 205 Carondelet St. Mr. Rooney was formerly Vice-President and manager of the municipal department of Levy & Rooney, Inc.; prior thereto he was with Lachlan M. Vass & Co., St. Denis J. Villere & Co., and the Whitney National Bank.

Geo. L. Simpson Is Now With Dunne-Israel Co.

DALLAS, TEX. — George L. Simpson has become associated with The Dunne-Israel Company, Gulf States Building, it is announced. Mr. Simpson was formerly formerly for many years head of his own firm, Geo. L. Simpson & Company, Inc.

Putnam King, Represents Union Securities Corp.

BOSTON, MASS.—Union Securities Corporation announce that Putnam King will act as their representative in Boston with offices at 75 Federal Street. Mr. King was formerly with the local office of Goldman, Sachs & Co. and prior thereto was manager of the municipal department for Ballou, Adams & Whittemore, Inc.

New York Bond Club Will Omit Field Day This Year

The annual field day of the Bond Club of New York and publication of "The Bawl Street Journal" will be suspended this year, it was unanimously voted by the governors of the club, who stated that they felt neither the field day nor the satirical "Journal" was in keeping with present war conditions. This decision breaks a record of 21 consecutive outings of the Bond Club.

Files In Bankruptcy

Noyes D. Robinson has filed a voluntary petition in bankruptcy in the Federal District Court for New York City, listing liabilities of $499,490, plus interest, and no assets except insurance and property in the hands of a receiver, consisting of a seat on the New York Stock Exchange from which Mr. Robinson was suspended for non-payment of dues.

To Admit Garvey

John F. Garvey will become a partner in LaBranche & Co., 50 Broadway, New York City, members of the New York Stock Exchange. Mr. Garvey will act as alternate on the floor of the Exchange for George M. L. LaBranche, Jr., under Section 15, Article IX.

Again in 1941

NEW ENGLAND MUTUAL

helped thousands of American families

WIN FREEDOM

from fear and want

WHILE nations fight a world war for freedom from aggression, *families* must continue to wage their struggle for the personal independence which is so vital a part of our way of life.

And New England Mutual helps win both victories—by protecting the home and assuring children's educations—by investing in Government Bonds and essential industries.

This Company has provided steadfast life insurance protection through the wars and depressions of a century—has steadily gained in strength in spite of many critical economic periods.

That this consistent growth still goes on, even in these difficult days, is evidenced by the 1941 financial statement below:

98th ANNUAL STATEMENT

DECEMBER 31, 1941

Insurance in Force................**$1,658,971,000**
51 millions more than ever before
38% more than at the end of 1929

New Life Insurance...............**$ 127,631,000**
Including Additions and Revivals
12% more than in 1940

Assets ....**$ 535,967,000**
Increase of $34,261,000 over last year
More than double the total at the end of 1929

Liabilities ....**$ 516,962,000**
Includes $8,850,000 for 1942 dividends
Includes $3,000,000 Special Contingency Fund

Unassigned Surplus ....**$ 19,005,000**

COPY OF ANNUAL REPORT GLADLY SENT UPON REQUEST

NEW ENGLAND MUTUAL

LIFE INSURANCE COMPANY *of* BOSTON

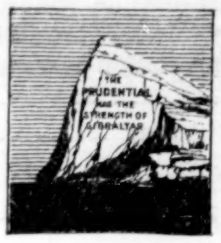
George Willard Smith, President • Agencies in Principal Cities Coast to Coast

FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA—1835

To Make Your Start Easy

Under present conditions our popular "modified" policies are particularly attractive. They carry a substantially lower premium for the first few years.

Details on request - no obligation.


THE PRUDENTIAL HAS THE STRENGTH OF GIBRALTAR

The Prudential
Insurance Company of America
Home Office, NEWARK, N. J.

THE BOND SELECTOR

PHILADELPHIA & READING COAL & IRON REORGANIZATION

Expectation Is That Latest Plan Proposed Will Satisfy All Contending Groups; New Securities Evaluated

After numerous reorganization plans have failed over the past several years to satisfy the bondholders' groups and the SEC, the latest plan, it is believed, should meet the approval of all parties concerned.

Philadelphia & Reading Coal & Iron Corporation is merely the holding company which owns the common stock of the operating organization, Philadelphia & Reading Coal & Iron Company. In 1937, the latter company filed a petition in Federal Court seeking permission to reorganize under section 77B of the bankruptcy act. Principal difficulty at the time was the company's inability to meet the interest on its junior bonds. Since that date various plans have been promulgated by the management and several bondholders' groups.

Funded debt of Philadelphia & Reading Coal & Iron Company, the subsidiary, consists mainly of $24,411,867 of refunding mortgage 5s due 1973 and $29,148,000 of convertible 6% debentures due 1949. In addition, there are $90,000 of miscellaneous bonds which need not concern us here. There are 1,400,000 shares of common stock of the corporation outstanding; the corporation owns the entire common stock of the company—160,000 shares of $50 par. This stock has been declared of no value. The refunding mortgage 5s and debenture 6s are listed on the New York Stock Exchange.

The latest plan should be filed with the Court by the time this reaches the printer. It will provide for $10,216,569 general mortgage 6% income bonds and 1,021,657 shares of new common stock. Thus, in place of $24,411,867 of old refunding mortgage 5s and $29,148,000 of 6% debentures—or a total principal amount of over $53,000,000 of funded debt—there will be only 20% as much debt and the interest thereon will be payable only as earned.

Here are what the holders of a $1,000 refunding mortgage 5% bond and a $1,000 6% debenture will receive under the new plan:

	Cash	New 6% Inc. Bonds	New Com. Stk.
Ref. Mtge. 5s	$135	$270	27 shs.
Debenture 6s	15	125	12½ shs.

This plan is expected to have the approval of three of the four bondholders' committees, the approval of the examiner of the company, and its proponents hope it also will have the approval of the SEC.

Before attempting to evaluate the new securities, it will be necessary to look back into the company's operating record in order to see how earnings might have covered the interest on the new income bonds. Since application was made in 1937 for permission to reorganize, the company has done a great deal in the way of disposing of several unprofitable properties and now is believed to be a much more efficient organization. At best, of course, the anthracite coal industry is in a downhill trend and it takes a firm price structure and a good level of business activity to show any profits from operations.

Interest requirements on the new 6% income bonds is $613,000, this figure comparing with over $3,000,000 on the old funded debt. Since 1932, even these reduced requirements would have been covered in only three years. However, as stated before, the company is now a more efficient operating unit, anthracite prices are at a higher level and currently the company's earnings are the best in 10 years. If we apply the pro forma interest requirements on the new bonds of $613,000 to the company's earnings statements for the 12 months ending Sept. 30, 1941 and 1940, we have the following:

	12 Mos. Sept. 30 1941	 1940
	(000 omitted)	
Net sales, etc.	$37,169	$30,549
Cost of sales, etc.	32,796	28,308
Operating income	4,373	2,241
Depreciation & Deple.	1,565	1,433
Avail. for fix. chgs.	2,773	744
Pro forma fixed charges	613	613
Bal. avail. for com.	2,160	131
Pro forma chgs. X earn.	4.5	1.2
Pro forma earn. per sh.	$2.10	$0.13

Assuming that the plan is accepted in its present form and that operations for the duration of the war continue on a plane comparable with those shown above, the new income bonds should be worth between 50 and 60, so we will set them down at 55, which is the approximate level at which other bonds of comparable speculative character sell at present. The common stock will certainly not be entitled to sell much over two times earnings, and in a hard coal company, particularly a reorganized one, will probably sell for not much more than its earnings. An estimated fair value for the common, therefore, is $3 per share.

Based on a price of 55 for the new income bonds and 3 for the new common, the old 5s, 1973, which sell on the New York Stock Exchange at 28⅞ would be worth $364.50, or about 36½, including the $135 of cash to be received. The old 6s, 1949, selling on the Stock Exchange at 8⅜ would be worth $121.25, or roughly 12⅛. Consequently, on these assumed or estimated valuations for the new securities, the 5s, 1973, sell at a discount of 25% and the 6s, 1949, sell at a discount of 46%. If bought "in a package," the old bonds would cost $371.25 compared with an estimated value of $487 for the new securities, based on the above stipulated valuations.

Ideas, naturally, will differ as to the values to be placed upon the new income bonds and common stock. It is believed that the valuations presented here are conservative and that purchase of the old bonds at present levels is justified on the assumption that the latest plan is accepted. The SEC appears to be looking to the interests of the junior bondholders, so that the 6s, 1949, under almost any plan acceptable to the SEC, appear to be the better value of the two issues whether or not the latest plan becomes the final plan.

Reduce Div. Arrearages

Progress in clearing up their dividend accumulations was made during the past year by 21 companies with preferred issues of stock listed on the New York Stock Exchange, according to the February issue of "The Exchange," monthly publication of the Stock Exchange. Total arrearages among 98 listed issues now amount to $970,312,000, which compares with 116 issues with back dividends of $1,099,830,000 at the beginning of 1941, the magazine says.

Omitting back payments, and considering regular dividends alone, the 322 preferred issues which distributed dividends in 1941 were selling to yield an average of 5.9%. The average return on dividend-paying common stocks at the end of 1941 was 9.3%.

The magazine article continues:

> By industries, the largest gains in preferred dividends last year (including payments against arrearages) were made by shipbuilding and operating, a gain of 125%; leather, 105%; electrical equipment, 94%, and paper manufacturing and publishing, 67%.
>
> Thirteen preferred issues paid off their entire accumulations during the past year. Dividend arrearages of six other issues were eliminated either through reorganizations or by exchange offers of stock. And there were 10 companies which made payments substantially reducing their accumulations.

Investment Trusts

(Continued from Page 935)

Smaller companies participated as well as large. Manufacturers within a community mobilized their plant capacities and bid, as a group, for large war contracts. Conspicuous among these cooperative efforts was the plan devised by William S. Shipley, Chairman of the York Ice Machinery Co., of York, Pa. His cooperative plan, known as the York Plan, has been copied and used in many cities.

"A great amount of the groundwork necessary for all-out war production had been done before Japan attacked Pearl Harbor. The present task is to convert still more productive capacity and labor to the war cause."

The story and romance of American industry is as awe-inspiring today as it ever was. Let us not hesitate to tell it.

Investment Company Briefs

"Earning assets of the 15 leading New York City banks, in which Bank Group Shares provides an ownership, are at the highest level in their history, according to the bank statements of Dec. 31, 1941," reports a new bulletin from Hare's, Ltd., national distributor of Bank Group Shares.

"Whereas during 1941 these earning assets increased by $1,880,601,000, or 17.6%, deposits increased only 0.5%. In other words, a much greater proportion of deposits currently is being put to profitable use than was the case a year ago. As of Dec. 31, 1940, earning assets represented only 61.8% of deposits, while as of Dec. 31, 1941, they represented 72.5%. . . . As a result of this expansion in earning assets, particularly in the category of commercial loans, the banks were able to show improvement in aggregate earnings in 1941 as compared with 1940, despite higher operating costs and a substantial increase in taxes. . . .

* * *

"One cannot be certain that in the long run inflationary influences may not affect stock prices in view of the experiences of other warring nations. Because of these uncertainties diversification of risk is always important. As a means of securing a sound foundation, defense bonds offer an excellent investment and at the same time afford an opportunity to assist in the prosecution of the war. On the other hand, a suitable proportion of well selected common stocks offers a measure of protection against possible inflationary influences. In any event, sound common stocks currently afford attractive yields and are selling at relatively low prices as judged by past standards." . . .

—The Broad Street Letter

* * *

The Broad Street Sales Corporation reports that during January, Broad Street Investing Corporation further reduced its holdings of Deere & Company, du Pont, and Kalamazoo Stove. Proceeds from the sale of the latter stock were invested in shares of Consolidated Oil Corporation, a new issue in Broad Street's portfolio. A portion of the commitment in Sears, Roebuck was sold because of the uncertainty of the supply of "hard lines" which represent roughly one-half of that company's normal sales volume, and which include such items as refrigerators, washing machines, agricultural implements, tools, tires and tubes, etc.

Annual Reports

Manhattan Bond Fund—Jan. 31, 1942

Net assets of $8,452,628.08 as of Jan. 31, 1942 and 1,194,226 shares outstanding as of that date represent larger figures than any previously reported to shareholders. Net assets per share were $7.08 on Jan. 31, 1942 compared with $7.07 on Jan. 31, 1941. Distributions paid to shareholders during the year totaled $.51 per share.

Bond interest earned during the year amounted to $574,971.35 and represented payment of full interest on each bond owned. Net operating expenses were $80,495.79. Total net credits to the "ordinary distribution account" were $512,066.57.

In the accompanying letter to stockholders, Hugh W. Long, President, said:

"It may well be that prices of many equities at their present levels largely or fully discount both future uncertainties and the burden of heavier taxes still to come. This, however, is a question which primarily affects the investor in stocks rather than the bondholder. Once more the rising tide of income taxes makes it appropriate for us to point out that bond interest, being in effect an operating expense, is deducted before income taxes and excess profits taxes are computed. Due to the increases in earnings before taxes experienced by the great majority of the companies whose bonds are held by the *Fund*, the average interest coverage on these bonds in 1941 reached the highest figure that has existed during the life of your Corporation."

Registration for Sugar Rationing Books in March

With regard to the forthcoming nation-wide registration for sugar rationing books, Price Administrator Leon Henderson announced that registration will be accomplished over a four-day period, probably during the last week in March. Mr. Henderson also stated that there will be approximately 1,400,000 registrars and the facilities of 245,000 elementary schools will be employed. In addition, work of the registrars will be supplemented by more than 7,500 local rationing boards with a membership aggregating about 23,000 persons. The following additional facts were given out by the Price Administrator:

> A registration book will be issued for every man, woman and child in the United States excepting members of the armed forces, inmates of institutions, and persons temporarily or permanently in hospitals, convalescent homes, etc.
>
> After the initial registration, late-comers may obtain their war ration books by application to a local rationing board. However, the local boards will not accept any applications for a two-week period following the close of registration.
>
> One adult may register for each family unit, although a separate war ration book will be issued for each member of a family unit. Servants, lodgers, and others who may live in a household, but who are not members of a family unit, must register individually. Generally speaking, a family unit consists of a group, related by blood or marriage and living and eating together under the same roof.
>
> No ration book will be given to anyone who possesses sugar above a "normal inventory" requiring removal of more than eight stamps from the war ration book. The normal inventory figure, which has not yet been defnitely determined, will represent a fair supply that the average family might be expected to have on hand, but will be less than a hoarder might have accumulated. Hoarders, of course, will be penalized either by not getting a book at all or by having from one to eight stamps torn from their books before they receive them from the registrar.
>
> Special provisions will be made to provide householders with sugar for home preserving and canning and for certain persons who have to have sugar for medicinal reasons.

Sugar refiners, importers and distributors have been ordered by the War Production Board to deliver sugar to canners only upon certification that they will begin using the sugar in their canning operations within 45 days of the date of delivery. The purpose of the action, it is said, is to prevent sugar needed now from being stored up for future need.

Kibbon, McCormick Co. Opens In Chicago

CHICAGO, ILL.—The recently organized partnership of Kebbon, McCormick & Co. has formally begun business at 231 South La Salle Street, Chicago, and 40 Wall Street, New York City, as a continuation of the business formerly conducted by Stern, Wampler & Co., Inc. The firm will function as underwriters, distributors and dealers in corporate, municipal and U. S. Government securities.

Partners are L. Raymond Billett, James R. Connell, Richard A. Kebbon, John C. Marshall, D. Dean McCormick and Harry N. Pritchard.

The firm will become members of the Chicago Stock Exchange with the acquisition of an Exchange membership by D. Dean McCormick.

Carl H. Ollman of the Chicago office of Alex. Brown & Sons will become associated with the firm on Mar. 9, 1942, as manager of the municipal department.

Formation of Kebbon, McCormick & Co. was previously reported in the "Chronicle" of Feb. 12.

Curb Securities Exempt From Mo. Blue Sky Law

Securities fully listed on the New York Curb Exchange have been accorded the status of exempt securities under the Blue Sky laws of the State of Missouri, the Curb Exchange announced on Feb. 25. The ruling became effective Feb. 25. It is pointed out that Curb Exchange securities now have Blue Sky exemption in 31 of the States in which the laws permit such exemption. The Curb's announcement added:

> The Missouri action was taken after careful investigation both in New York City and elsewhere by Russell Maloney, Supervisor of Corporation Registration and Commissioner of Securities, and Dwight H. Brown, Secretary of State.
>
> Under the laws of Missouri it is unlawful to sell securities which have not been registered with the Securities Commissioner of the State unless the securities are exempt or unless the transaction is exempt. The exemption which has now been granted to securities fully listed on the New York Curb Exchange has the effect of making it unnecessary to register such securities, or securities senior to them, prior to their sale in Missouri.

Eastern Corp. Reports

The annual report to stockholders of Eastern Corporation shows a net profit to the company of $835,033 after providing for Federal income taxes, as compared with $195,453 for 1940, equal to $4.02 each on the common stock after deduction of preferred dividend requirements. The long-term debt of the company was reduced by $286,800 during the year; on or before March 31, 1942, the report states, the company is required to make a further payment of $125,000 on the Five-Year 4% Notes and to deposit $178,892 for the retirement of Prior Preferred Stock. Net working capital at the close of 1941 was $2,949,377.

City of Cordoba (Argentine Republic)

IMPORTANT NOTICE—*to the holders of the outstanding*

$4,210,500	Municipality of Cordoba (Argentine) 7% External Sinking Fund Gold Bonds of 1927, due August 1, 1957, or Certificates of Deposit therefor, or judgments in respect thereof rendered by the Federal Court of Cordoba on behalf of individual bondholders.
$ 966,000	Municipality of Cordoba (Argentine) Ten-Year 7% External Sinking Fund Gold Bonds of 1927, due November 15, 1937, or judgments in respect thereof rendered by the Federal Court of Cordoba on behalf of individual bondholders.

F. J. YOUNG & CO. INC. *announces that it has been authorized to purchase the above issues, at the following net FLAT prices to the respective holders thereof, subject to the terms and conditions hereinafter set forth:*

BONDS DUE AUGUST 1, 1957

$ 872.27	for each $1000 registered bond and $436.13 for each $500 registered bond, stamped pursuant to the Readjustment Plan of 1934 and pursuant to the Settlement of July 1, 1939, representing August 1, 1938 and subsequent coupons.
$1059.36	for each $1000 registered bond and $529.68 for each $500 registered bond, stamped pursuant to the Settlement of July 1, 1939 (but not stamped pursuant to the Readjustment Plan of 1934), representing August 1, 1932 and subsequent coupons, except the February 1, 1937, August 1, 1937, and February 1, 1938 coupons.

CERTIFICATES OF DEPOSIT

of Bondholders Committee,
Fred J. Young, Chairman; The Continental Bank & Trust Company of New York, depositary

$ 898.76	for each $1000 Certificate of Deposit and $449.38 for each $500 Certificate of Deposit, representing bonds stamped pursuant to the Readjustment Plan of 1934, either with August 1, 1937 and subsequent coupons, or February 1, 1938 and subsequent coupons, or August 1, 1938 and subsequent coupons.
$1085.84	for each $1000 Certificate of Deposit and $542.92 for each $500 Certificate of Deposit, representing bonds (unstamped) with August 1, 1932, and all subsequently maturing coupons, except the coupon due February 1, 1937.
$ 841.72	for each $1000 Certificate of Deposit and $420.86 for each $500 Certificate of Deposit, representing bonds (unstamped) with August 1, 1938 and all subsequently maturing coupons.

BONDS DUE NOVEMBER 15, 1937

$ 915.53	for each $1000 bond and $457.76 for each $500 bond, stamped pursuant to the Readjustment Plan of 1934, with May 15, 1936, and subsequent coupons attached.
$1035.16	for each $1000 bond and $517.58 for each $500 bond (unstamped) with May 15, 1933 and subsequent coupons attached.

The differences in the above prices arise from the different payments on account of interest received by the respective holders.

The above offer of purchase is subject to F. J. Young & Co. Inc. being able to purchase an aggregate of not less than $4,141,200 principal amount (not including unpaid interest or additional claims arising from the Readjustment Plans of 1934) of Bonds, Certificates of Deposit and/or judgments, without distinction as between the issues.

The amount of any distributions made available to the holders of the above securities on account thereof, except distributions pertaining to collections up to and including January 31, 1942, will be deducted from the Flat prices listed above.

Holders of the above securities who wish to accept this offer should forward their securities to The Continental Bank & Trust Company of New York, Corporate Trust Dept., 30 Broad St., New York, Agent for the undersigned with respect to this offer, together with a Letter of Transmittal, copies of which may be obtained from the undersigned.

Funds have already been deposited in New York to satisfy this offer of purchase, and promptly after March 31, 1942, if and when the required amount of securities have been deposited in acceptance of this offer, The Continental Bank & Trust Company of New York will promptly forward to depositors checks in the amounts to which they are entitled.

This offer by F. J. Young & Co. Inc. expires March 31, 1942. However, any securities deposited with The Continental Bank & Trust Company of New York in accordance herewith, may be held subject to the right of purchase at the prices aforesaid until May 31, 1942.

In the event that F. J. Young & Co. Inc. is unable to arrange for the purchase of the securities before May 31, 1942, as aforesaid, all securities deposited hereunder will be returned to the depositors thereof by The Continental Bank & Trust Company of New York, without any charge for expenses.

F. J. YOUNG & CO. Inc.
52 WALL STREET, NEW YORK
Telephone HAnover 2-3840

90 State Street
Albany

1616 Walnut Street
Philadelphia

Dated New York, N. Y., March 4, 1942.

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Tomorrow's Markets Walter Whyte Says—

(Continued from Page 933)

In the post-war years of War No. 1, changes in government occurred; countries went through the wringer, but the fundamental systems on which our market was built, continued to function. And the same market, reduced to averages, went on saying its little piece. To those who could read what it said, the fates were kind, to others it was not.

* * *

But the cataclysms of past years are ripples when compared to the forces at large today. For today's market no longer reflects isolated tides. It is trying to evaluate basic changes such as it never in its history has had to face.

* * *

The once mighty British Empire is breaking up. Even if Malaya and Burma are won back, the changes wrought will never be undone. Even India, which has been the keystone of British power all these generations, is undergoing a political change. No market, no matter how sensitive, can evaluate such forces and reflect them speedily.

* * *

Coming back to domestic affairs, we are now faced with a tax bill. What it is you can learn from the daily press. Yet, between the Treasury's proposals and the final enactment into law, the difference will be large.

* * *

Meanwhile we are still being warned against complacency. But it isn't you and I who are complacent. It is our Congressional windbags, who are guilty. From just reading the official communiques we are aware of the danger facing us. We want to do something about it. But aside from buying defense bonds or being active in some voluntary defense work, we have little to do. Yet Congress, which is supposed to be doing something, is still busy playing politics.

* * *

The average elected representative seems much more concerned with local issues than he is in the war. How can we, the common people, act other than complacent when we see what passes for "deliberations" in Congress break down into petty local squabbles that have nothing to do with running a war.

* * *

But if the stock market finds it difficult to reflect all the domestic and foreign changes it does, whatever its shortcomings, take a realistic view of current events. That is one of the real reasons for current dullness. The wonder isn't its inactivity, but that it is managing to stay up as it does. At times it even looks like some organized effort is made to keep prices at even keel and prevent them from breaking. Obviously such basic and fundamental changes must have an effect on prices in the long run. When these will come, I can not answer. I'll say this: the current action is still good, or rather not bad.

* * *

Of course, much of Tuesday's rally was due to relief over the removal of uncertainties from the proposed new taxes, which aim at eventually siphoning off half of annual national income. This cannot leave the market untouched. So early strength cannot be trusted. Applying all this to the stocks, you have the advice of last week, which still goes.

* * *

At this writing you hold two stocks, American Car & Foundry, at about 32, and American Steel Founders, at about 20. Last week I advised hat your stops in these should be raised. There's nothing in their action to change it. For if the two issues are to do anything on the up side, they must stay above their critical points. These are American Car & Foundry 29½ and Amer. Steel Founders 19½. If either of these prices are broken, my advice is to get out and hold your cash for what opportunities present themselves in the future.

More next Thursday.

—Walter Whyte.

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

RR. Earnings To Stay Up

Strauss Bros., 32 Broadway, New York City, have prepared a circular entitled "Railroads to Maintain High Earnings," copies of which may be had from the firm upon request.

Factors Affecting Future Real Estate Values

Two sets of war-born forces, pulling in opposite directions, may decidedly affect future values of real estate in American cities, according to the current issue of the Federal Home Loan Bank "Review." "Four factors are generally increasing the value of existing properties," the "Review" says, "(1) the current decline of new residential construction because of shortages in materials and the resultant hesitancy of builders to proceed with construction plans; (2) the increasing demand for housing in many areas; (3) high rent levels; (4) the rising cost of new construction." The "Review" goes on to say:

> "At the same time, several more permanent forces are at work threatening to offset these favorable but temporary factors. New industrial plants, being erected on the rim of urban and metropolitan areas as well as rural districts, may tend to re-locate industry in many communities. The priority system, with its limitation on costs, makes necessary the use of cheaper land available only in outlying districts.
>
> "New construction methods, emphasizing prefabrication and demountability, are being tried out in the defense housing program. If these become a permanent part of our construction technique, they may reduce the level of future building costs and existing property values. Finally, the process of depreciation and obsolescence continues to operate, particularly in the case of older properties."

The "Review" groups American communities into three classes, in commenting on effects on real estate of the war program to date, and states:

> "Although prices for real estate were generally higher and the volume of sales was larger in 1941 than in 1940, there was a wide disparity between conditions in individual communities," the article says.
>
> "Cities were affected in one of three ways. The prosperity flowing from increased population or the establishment of army camps often reached 'boom town' proportions. Another group of cities experienced a normal development of property values, a logical outgrowth of improved business conditions throughout their surrounding areas. A third type of community discovered that the gigantic production program could bring about at least temporary dislocations in local real estate markets, as factories ceased the production of non-essentials and labor forces migrated to the scene of new opportunities for employment."

Curb Operating Loss

The consolidated report of the New York Curb Exchange and its affiliates, the New York Curb Exchange Realty Associates, Inc., and New York Curb Exchange Securities Clearing Corporation, for the year ended Dec. 31, 1941, shows a net operating loss of $55,871.31 after deduction of $113,183.17 for depreciation and amortization, it was announced on Feb. 25. The report for the previous year showed excess of expenses over income of $121,939.15 after depreciation and amortization of $127,452.70. The Exchange's announcement further said:

> Cash in banks and on hand amounted to $747.832 as compared with $788,911.67 as of Dec. 31, 1940. During the year $60,000 was paid off on the principal amount of the mortgage, leaving a balance due of $760,000.
>
> Real estate and miscellaneous Federal, State and city taxes amounted to $130,505.51 as against $141,709.14 for the previous year.
>
> As of Dec. 31, 1941, the total net assets amounted to $4,697,370.78. This represented a net equity for each of the 529 regular memberships of $8,879.72.

UP-TOWN AFTER 3

PLAYS

"Guest in the House," by Hagar Wilde and Dale Eunson, from a story by Katherine Albert. Presented by Stephen and Paul Ames, at the Plymouth Theatre, New York. Directed by Reginald Denham. Settings by Raymond Sovey. The cast includes Mary Anderson, Louise Campbell, Leon Ames, Pert Kelton, Joan Spencer, Katherine Emmett and others.

The 1941-42 theatrical season hasn't had many good plays or, for that matter, even interesting ones. But in the "Guest in the House," the Ames brothers, who hail from Wall Street, have a play that has most of the elements that go into the making of a hit. The plot of "Guest in the House" isn't world shaking but it has suspense, horror, anger, comedy and some first rate acting, which is more than may be said of most of the current offerings. The Proctors, a young suburban couple, with a healthy ten-year old daughter, feel sorry for Ann Proctor's cousin and invite her to stay at their home. She arrives and turns out to be a cardiac, but a lovely girl in whose mouth butter wouldn't melt. But appearances are deceiving for the ethereal looking cousin turns out to be a demon in disguise. First, she manages to drive Doug Proctor's model (he's a home-working commercial artist) out of the house; she turns the healthy Proctor child into a hypochondriac; drives Doug to drink; the servants leave in a boiling rage and Ann is brought to the verge of a nervous collapse. Through all these machinations the house guest presents an angelic appearance. Apparently no one suspects that she is at the bottom of the whole thing. How the play develops and what the outcome is would not be fair to disclose but rest assured that from the time the curtain goes up for the first act until it comes down on the last you will be engrossed. The play is shrewdly written and the acting is more than capable. Mary Anderson as Evelyn Heath, the house wrecking hussy, is completely hateful, brilliantly so. In fact the audience takes her hatefulness so much to heart that some of them even hissed at the last curtain. Louise Campbell as the harried hostess, Ann Proctor, is completely charming. Leon Ames as the befuddled Doug Proctor is believable. Pert Kelton as Miriam Blake, the model, handles her comedy lines well. In fact there isn't an actor or actress in "Guest in the House" who doesn't come in for kudos.

"Of V We Sing," presented by the American Youth Theatre in association with Alexander H. Cohen. Staged and directed by Perry Bruskin.

About two or three years ago the garment industry presented a revue, "Pins and Needles." Last year the Pacific Coast sent us "Meet the People." This season we have "Of V We Sing." But there the comparison stops. In the first two revues the cast actually seemed to be enjoying its roles. Anyway they gave that impression. In this one there is no spark of spontaneity, or if there is it doesn't across the footlights. But even at that it is almost as good as some of the more expensive revues that are playing on Broadway this season. Most of the skits are based on subjects of social significance. The handling of such material can be vastly amusing. They can also be dull, and only in a few instances does "Of V We Sing" come close to the amusing mark.

MOVIES

"This Time For Keeps," an **MGM** picture on which little money was spent, but actually is good (if not better) than some of the highly publicised films. It's an amusing story of the sort the SEP goes in for. You know the kind I mean. Where the young man steps into a job and makes a go of it when everything seems to be against him. In this case the young man is Robert Stirling, a used car salesman, happily married to Ann Rutherford, whose father is a real estate and insurance tycoon of the small town in which they all live. After persuasion the young man enters his new father-in-law's (Guy Kibbee) business and right away sees he can't make good. For father-in-law trying to be helpful only succeeds in stifling the young man's enthusiasm. The pay-off comes when the up and coming ex-used car salesman cooks up a scheme to sell a big property and pop, with his interfering, boloxes up the deal. Everything, however, works out well in the end for it's that kind of a picture.

CAFE SOCIETY

One night last week **Fefe's Monte Carlo** opened its new show. This consisted of the perennial Bill Robinson whose dancing feet seem to go on forever. Here is a man in his sixties who can still do the same things with his feet he was able to do in his twenties. But as remarkable as Bill Robinson is my interest was in Katherine Hepburn, Spencer Tracy and Gene Tierney, who occupied ringside tables. Unfortunately I looked away for a minute and during the minute the stars of "Woman of the Year" departed. However, the gorgeous Miss Tierney remained and I now gave her my undivided attention. Bill (World-Telegram) Hawkins remarked "What a figure!" Malcolm (N. Y. Sun) merely observed "Wow!" S. Jacobs, whose birthday it was and at whose table we all were, asked me, "Well, Bill Smith, you like?" Uh-huh, I liked, but what with her husband draped around her neck what could a guy do? For the more prying ones I wish to say that Miss Tierney wore a white dress cut down to here and danced to Ted Straeter's music and Bob Knight's tunes as if she really enjoyed it. Bet I can dance better than her husband, H-m-m-m-m.

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PITTSBURGH, MARCH 4, 1942

OFFERINGS

MINNEAPOLIS-HONEYWELL REGULATOR CO.

Minneapolis-Honeywell Regulator Co. filed a registration statement with the SEC for 25,000 shares of cumulative preferred stock, series C, $100 par value; the dividend rate will be furnished by amendment

Address—2747 Fourth Ave. South, Minneapolis, Minn.

Business—Engaged in the manufacture and sale of various types of temperature controlling and heat regulating devices. At present time, company states it has contracts, signed or awarded, for in excess of $40,000,000 of army and navy material, for delivery during 1942 and 1943

Underwriters—Union Securities Corp., New York, 21,500 shares; Piper, Jaffray & Hopwood, Minneapolis, 2,500 shares; Burns, Potter & Co., Inc., Omaha, Neb., 1,000 shares

Offering—The preferred stock will be offered to the public, at a price per share to be supplied by amendment

Proceeds will be added to working capital

Registration Statement No. 2-4951. Form A-2. (2-25-42)

Offered March 4, 1942, at $104.50 per share and dividend

MONSANTO CHEMICAL CO.

Monsanto Chemical Co. filed a registration statement with the SEC for 35,000 shares of $4 cumulative preferred stock, Series C, no par value

Address—1700 S. Second St., St. Louis, Mo.

Business—Company and its subsidiaries are engaged in the manufacture and sale of a widely diversified line of chemical products

Underwriting—Smith, Barney & Co., New York, is the sole underwriter

Offering—The 35,000 shares of preferred stock will be offered to the public, at a price to be supplied by later amendment

Proceeds will be added to cash funds of company, to be used for working capital and expansion purposes

Registration Statement No. 2-4949. Form A2 (2-24-42)

Offered March 4, 1942, at $105.50 per share and dividend

PENNSYLVANIA ELECTRIC CO.

Pennsylvania Electric Co. registered with SEC $32,500,000 first mortgage bonds, due Jan. 1, 1972, and 34,000 shares Series A cumulative preferred stock, $100 par. The interest rate on the bonds and the dividend rate on the preferred stock, will be supplied by amendment to the registration statement

Address—222 Levergood St., Johnstown, Pa.

Business—This company, controlled by Trustees of Associated Gas & Electric Corp., is engaged chiefly in the production, purchase, transmission, distribution and sale of electricity for lighting, heating, industrial and general utility purposes, serving a territory in Western Pennsylvania extending from the Md.-Pa. State line northerly to Lake Erie

Underwriting and Offering—The bonds and preferred stock will be sold by company under competitive bidding rule U-50 of SEC's Public Utility Holding Company Act. Names of underwriters and public offering prices will be supplied by amendment to registration statement. The Invitations to bid for the securities specify that the company is to receive not less than 103 for the bonds and not less than $100 per share for the preferred stock

Proceeds will be used to redeem all of the outstanding funded debt of the company and Erie Lighting Co. and for property additions

Registration Statement No. 2-4929. Form A2 (1-9-42)

Registration Statement fully effective 4:45 p.m. E. S. War Time on Feb. 18, 1942.

Offered March 4, 1942 (a) the bonds at 103½ and interest, and (b) the stock at 103.75 per share plus dividends. Both issues were awarded March 2, 1942, to a syndicate headed by Mellon Securities Corp., the bonds as 3⅜s and the stock as 5.10% series

SCHENLEY DISTILLERS CORP.

Schenley Distillers Corp. filed a registration statement with the SEC for $10,000,000 10-year sinking fund debentures, due Jan. 1, 1952, and $17,500,000 15-year sinking fund debentures, due Jan. 1, 1957. Interest rates will be supplied by amendment to registration statement

Address—350 Fifth Ave., New York City

Business—Company and its subsidiaries are engaged generally in the distilling, blending, rectifying, producing, warehousing, bottling, buying, selling, exporting and importing alcoholic products for beverage purposes, principal business being production and sale of rye, bourbon and blended whiskies in the United States

Underwriting—Mellon Securities Corp., Pittsburgh, is named principal underwriter; names of others will be supplied by amendment

Offering—The debentures will be offered to the public, at a price to be supplied by amendment

Proceeds from sale of the debentures, together with the net proceeds of unstated amount of short-term bank loans to be procured by company prior to or concurrently with the issue of the debentures, will be applied to payment of all the present bank loans of company. Amount of such bank loans outstanding on Aug. 31, 1941, was $24,000,000

Registration Statement No. 2-4925. Form A2. (12-30-41)

The Schenley Distillers Corp. on Feb. 13 filed an amendment, disclosing that it now proposes to issue only $15,000,000 of debentures instead of an aggregate of $27,500,000 contemplated in the original registration statement filed on Dec. 30.

According to the amendment, the company will offer $15,000,000 of 10-year 4% sinking fund debentures due on Feb. 1, 1952, in lieu of the $10,000,000 of 10-year 3¼% sinking fund debentures due on Jan. 1, 1952, and $17,500,000 of 15-year 4% sinking fund debentures due on Jan. 1, 1957. The debentures will be offered at a price to be supplied by later amendment

The names of the underwriters of the debentures, and the amounts to be purchased by each, are as follows:

Underwriter	Amount
Mellon Securities Corp.	$2,000,000
Alex. Brown & Sons	200,000
A. C. Allyn & Co., Inc.	225,000
Blair & Co., Inc.	250,000
Blyth & Co., Inc.	825,000
Bonbright & Co.	400,000
Central Republic Co.	225,000
Dillon, Read & Co.	1,100,000
Emanuel & Co.	200,000
Estabrook & Co.	225,000
First Boston Corp.	825,000
Hallgarten & Co.	225,000
Harris, Hall & Co., Inc.	400,000
Hayden, Miller & Co.	150,000
Hemphill, Noyes & Co.	350,000
J. J. B. Hilliard & Son	125,000
W. E. Hutton & Co.	300,000
Jackson & Curtis	$225,000
Kidder, Peabody & Co.	400,000
Kuhn, Loeb & Co.	1,100,000
Lazard, Freres & Co.	400,000
Lee Higginson Corp.	350,000
Carl M. Loeb, Rhoades & Co.	250,000
Laurence M. Marks & Co.	125,000
Merrill Lynch, Pierce, Fenner & Beane	250,000
Moore, Leonard & Lynch	125,000
F. S. Moseley & Co.	250,000
Paine, Webber & Co.	250,000
Parrish & Co.	125,000
Riter & Co.	225,000
Schwabacher & Co.	200,000
Shields & Co.	400,000
Singer, Deane & Scribner	125,000
Stein Brothers & Boyce	225,000
Stone & Webster and Blodget, Inc.	400,000
Stroud & Co., Inc.	150,000
Tucker, Anthony & Co.	400,000
Union Securities Corp.	400,000
Wertheim & Co.	350,000
Whiting, Weeks & Stubbs, Inc.	250,000

Offered March 4, 1942, at 100 and int.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

TUESDAY, MARCH 10

LOUISVILLE TRANSMISSION CORP. (KY.)

Louisville Transmission Corp. (Ky.) has filed a registration statement with the SEC for $3,850,000 of First Mortgage Sinking Fund bonds, due Mar. 1, 1967. Interest rate will be supplied by amendment.

Address—311 W. Chestnut St. Louisville, Ky.

Business—Incorporated in Kentucky on Dec. 2, 1941, as a subsidiary of Louisville Gas & Electric Co. Company will construct and own a 154,000 volt double circuit transmission line from a point on the site of the Paddy's Run generating station of the parent company, near Loouisville, Ky., to a point known as Green River Crossing in Hart County, Ky. (approximately 67 miles) where it will connect with a transmission line which the Tennessee Valley Authority will construct to such point from its South Nashville substation near Nashville, Tenn. (about 105 miles). Company will also construct and own terminal facilities at the parent company's generating stations, together with transmission lines which, together with 10 miles of transmission lines to be constructed by company's wholly-owned subsidiary, Louisville Transmission Corp. (Indiana), will complete the tie-in with Louisville Gas & Electric's system and a transmission system of Public Service Co. of Indiana. Purpose of such construction is to make available to the TVA 1,400,000,000 kilowatt hours of electrical energy per annum from the interconnected system of Louisville Gas & Electric Co., the TVA and four nonaffiliated electric companies.

Underwriting and Offering—The bonds will be sold under the competitive bidding rule of the Holding Company Act; public offering price, names of underwriters, will be supplied by amendment.

Proceeds will be used to pay for the cost of the above construction program.

Registration Statement No. 2-4948. Form A1 (2-17-42)

Corporation on Feb. 18, 1942, was authorized by Kentucky P. S. Commission to seek bids on the bond issue

SUNDAY, MARCH 15

REPUBLIC DRILL & TOOL CO.

Republic Drill & Tool Co. has filed a registration statement with the SEC for: 125,000 shares of 55-cent cumulative convertible preferred stock, $1 par; option warrants to purchase 62,500 shares of $1 par common stock; 125,000 shares $1 par common stock, reserved for issuance upon conversion of the preferred stock, and 62,500 shares $1 par common stock reserved for the option warrants

Address—Chicago, Ill.

Business—Engaged in the manufacture and sale of a variety of twist drills

Underwriter—Craigmyle, Rogers & Co. is the sole underwriter

Offering—The 125,000 shares of preferred stock will be offered to the public at $5 per share; provision is made, however, that the initial offering price may be reduced to not less than $4 per share. The option warrants, above mentioned, are to be issued to the underwriter as additional compensation. If the underwriter exercises the warrants, the shares of common stock covered by such warrants may be offered to the public; details of such public offering, if any, will be supplied by amendment

Proceeds will be used to purchase machinery and equipment, and for working capital

Registration Statement No. 2-4950. Form A1 (2-24-42)

SATURDAY, MARCH 21

CALIFORNIA DE-TINNING CORP.

California De-Tinning Corp. filed a registration statement with the SEC for 234,000 shares of $1 par common stock

Address—Los Angeles, Cal.

Business—Company is engaged in the reclaiming and processing of tin

Underwriters—Quincy Cass Associates

Offering—The common stock will be offered to the public at $1 per share

Proceeds will be used to pay for organization expenses, a detinning plant and for working capital

Registration Statement No. 2-4956. Form A1 (3-2-42—San Francisco)

KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., filed four separate registration statements with the SEC covering following: 25,000 shares series B-1 full certificates of participation; 300,000 shares series B-3 full certificates of participation; 70,000 shares series K-2 full certificates of participation, and 500,000 shares series S-4 full certificates of participation

Address—50 Congress St., Boston, Mass.

Business—Company is a distributive type of investment trust

Underwriting and Offering—The above shares, representing the above certificates, will be offered to the public, at the market

Proceeds will be used for investment purposes

Registration Statements Nos. 2-4952, 2-4953, 2-4954, 2-4955. Form C-1 (2-2-42)

NATIONAL SECURITIES & RESEARCH CORP.

National Securities & Research Corp. filed two separate registration statements with the SEC for (1) a maximum of 210 independence fund declarations of trust and agreement (of which 105 are without insurance and 105 with insurance of the accumulative type), calling for payments aggregating not in excess of $252,000 ($126,000 without insurance and $126,000 with insurance); and (2) 250 independence fund declarations of trust (income type, capital type and distributive type), aggregating $268,750, of which $18,750 represents a maximum creation fee payable to the sponsor and is not part of the trust

Address—1 Cedar St., New York, N. Y.

Business—This company is an investment trust. An independence fund declaration of trust presents a means by which an individual, upon the payment of certain fees, can establish a trust account providing for investment of $1,000 to $100,000 or more in a commingled fund of stocks and bonds, with certain protective requirements and subject to certain risks as ordinarily are incident to the ownership of the type of securities comprising the investment fund

The company is the sponsor

Proceeds will be used for investment purposes

Registration Statements: 2-4957; 2-4958. Form C1 (3-2-42)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMERICAN BAKERIES CO.

American Bakeries Co. registered 15,000 shares Class B no par common stock

Address—No. 520 Ten Pryor St. Bldg., Atlanta, Ga.

Business—Manufacturing and distributing bakery products in souther states

Underwriter—None named

Offering—Stock will be offered to public at price to be filed by amendment

Proceeds—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

Registration Statement No. 2-4714. Form A-2. (3-28-41)

Proposed offering as amended Dec. 10, 1941, 9,000 shares at $54.25 per share

Amendments filed Nov. 21, Dec. 8, and Dec. 26, 1941, to defer effective date

Amendments filed Nov. 21, Dec. 8. Dec. 26, 1941, Jan. 12, Jan. 29, Feb. 7 and Feb. 16, 1942 to defer effective date

ATLANTIC CITY ELECTRIC CO.

Atlantic City Electric Co. filed a registration statement with the SEC for 62,000 shares of Cumulative Preferred Stock, $100 par; dividend rate will be furnished by amendment

Address—Atlantic City, N. J.

Business—This subsidiary of American Gas & Electric Co. is engaged in the generation, transmission, distribution and sale of electric energy in the southern part of New Jersey, including Atlantic City, and is also engaged in furnishing hot water heating service in a limited area in Atlantic City and steam for heating to two custo-

Calendar of New Security Flotations

mers at its Atlantic City plant. About 99% of gross revenues are derived from electric service

Underwriting and Offering—As soon as practicable after the registration statement becomes effective, company proposes publicly to invite proposals for purchase of 49,000 shares of the new preferred stock, under competitive bidding rule of Holding Company Act. Provision is made that the remaining 13,000 shares of new preferred stock registered will be offered under an Exchange Offer, as follows: holders of the 26,283 shares of $6 preferred stock held by the public will be entitled to receive one share of new preferred stock for each share of $6 preferred stock exchange, plus an amount in cash per share equal to the excess of the redemption price of $120 per share of the $6 preferred stock, plus accrued dividends to the date of redemption, over the initial public offering price of the new preferred stock. The exchange offer will expire not later than the fifth day after such offer is made. Should holders of the $6 preferred stock held by the public take more than 13,000 shares of new preferred stock under the Exchange Offer, then the number of shares of new preferred stock to be sold under competitive bidding will be reduced by such excess; and if less than 13,000 shares of new preferred are taken under the Exchange Offer, then the successful competitive bidders will have the option to purchase the additional shares represented by such deficiency at the same price per share as they have bid for the other shares

Public offering price, and the names of the underwriters, will be supplied by amendment

Proceeds from sale of the 62,000 shares new preferred stock, plus a capital contribution in cash of $2,500,000 to be made to company by American Gas & Electric Co., the parent company, will be used for following purposes: $3,059,200 to purchase from American Gas & Electric Co. 30,592 shares of $6 preferred stock (at its cost); $3,153,960 to be deposited with the redemption agent, for the redemption of 26,283 shares of $6 preferred stock (to be called for redemption at $120 per share), outstanding in the hands of the public; $2,500,000 to discharge open account indebtedness to American Gas & Electric Co.; and the balance for corporate purposes

Registration Statement No. 2-4941. Form A2 (2-2-42)

Registration Effective 12:30 p.m. E. War Time on Feb. 14, 1942.

Public Invitation for Proposals—No bids were received Feb. 24 for the issue. Groups formed to compete for the shares withdrew in the face of the general market uncertainty.

AXTON FISHER TOBACCO CO.

Axton Fisher Tobacco Co. filed a registration statement with the SEC for aggregate of 149,944 shares 5% cumulative prior preferred stock, $25 par.

Address—Louisville, Ky.

Business—Engaged in the manufacture of cigarettes (Clown, Spud, and Twenty Grand) and various brands of smoking and chewing tobaccos.

Offering—The 149,944 shares new preferred stock will be issued under a plan of recapitalization, as follows: (1) 56,544 shares in exchange for 14,136 shares outstanding 6% preferred stock on basis of 4 shares new preferred stock plus $17.25 cash for one share of old 6% preferred stock; (2) 54,558 shares in exchange for 45,465 shares outstanding Class A common stock on basis 1 1/5 shares new preferred stock plus $16 cash for one share Class A common stock; and (3) 38,852 shares will be sold first to stockholders of company other than Transamerica Corp., parent company, at $25 per share, with the unsubscribed portion to be sold to Transamerica Corp. at same price. The cash payments in (1) and (2) exchange offers represent unpaid cumulative dividends to Dec. 31, 1941; in connection with offering under (3) above, a cash offer is also to be made in an amount necessary to cover cash payments in the above exchange offers.

Registration Statement No. 2-4947. Form A2 (2-13-42—San Francisco)

Amendment filed Feb. 27, 1942, to defer effective date

BEAR MINING AND MILLNG COMPANY

Bear Mining and Milling Co. registered 153,145 shares of common stock, $1 par

Address — 513 Majestic Bldg., Denver, Colo.

Business—Mining and milling

Underwriter—None

Offering—Stock will be offered publicly at $1 per share, selling commission 35%

Proceeds — For development equipment and operation mining property near Breckenridge, Colo.

Registration Statement No. 2-4571. Form A-1. (11-12-40)

Amendments filed Dec. 3, Dec. 31, 1941, Jan. 19 and Feb. 25, 1942, to defer effective date

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s, 1952; $4,750,700 Deb. 5s, due April 15, 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co., a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof; and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

Amendments filed Nov. 18, Dec. 6, Dec. 24, 1941, Jan. 12, Jan. 31 and Feb. 19, 1942, to defer effective date.

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendments filed Nov. 27, Dec. 15, 1941, Jan. 2, Jan. 20, Feb. 6 and Feb. 24, 1942, to defer effective date

GENERAL FINANCE CORP.

General Finance Corp. filed registration statement with SEC for 176,854 shares common stock, $1 par

Address—184 W. Lake St., Chicago, Ill.

Business—Company and subsidiaries engaged principally in discounting installment notes receivable secured by automobile conditional sales contracts and chattel mortgages, and advancing funds to automobile dealers on their short-term interest bearing notes secured by automobiles. Due to recent prohibition of sale of new automobiles and new tires,, company proposes to amend its charter so as to broaden the scope of its authority to do business

Underwriting—None

Offering—The 176,854 shares of common stock are reserved for issuance upon the exercise of certain outstanding Common Stock Purchase Warrants, latter entitling holders thereof to purchase 176,854 shares of common stock of company at price of $4 per share, during period from Mar. 4, 1942 through March 4, 1947. Such warrants as filed and 176,854 shares of 5% preferred stock were issued to preferred and common stockholders of Utility and Industrial Corp. pursuant to merger agreement. It is estimated that total number of warrants ultimately to be outstanding will represent the right to purchase approximately 140,710 shares.

Proceeds will be added to working capital

Registration Statement No. 2-4936. Form A2 (1-28-42)

HAMILTON WATCH CO.

Hamilton Watch Co. filed registration statement with SEC for 39,382 shares 4½% cumulative preferred stock, $100 par

Address—Lancaster, Pa.

Business — Company manufactures and sells various models of high grade (17 to 23 jewel) pocket and wrist watches for men and wrist watches for women

Underwriting and Offering—Company is making a conditional offer to holders of its 32,054 shares of outsanding 6% preferred stock of the privilege of exchanging such stock for 33,054 of the 39,382 shares of 4½% preferred stock on basis of one share of 4½% preferred stock, plus $1.50 (equal to current quarterly dividend payable March 1, 1942, on one share outstanding 6% preferred stock), plus an unstated amount (difference between the public offering price of one share 4½% preferred stock and $105, the redemption price of the 6% preferred), for each share of outstanding 6% preferred stock. Exchange offer expires Jan. 22, 1942. Any shares of 4½% preferred not issued under the exchange offer, plus the 6,328 shares not reserved for such exchange offer, will be offered to the public, at a price to be supplied by amendment. Harriman Ripley & Co., Inc., Philadelphia, is named principal underwriter; other underwriters will be supplied by amendment.

Proceeds will be used to redeem, on March 1, 1942, at $105 per share, all outstanding 6% preferred stock; balance for expenditures in connection with construction and equipment of plant additions

Registration Statement No. 2-4926. Form S2 (12-30-41)

Amendment filed Jan. 29 and Feb. 16, 1942 to defer effective date.

HASTINGS MANUFACTURING CO.

Hastings Manufacturing Co. registered **with SEC 140,400 shares common stock**, $2 par value

Address—Hastings, Mich.

Business—Manufactures and sells piston rings and expanders

Underwriters—Schroder, Rockefeller & Co., Inc., are principal underwriters. Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.

Offering—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold to public for account of certain selling stockholders

Proposed offering as amended: 23,100 shares by company, 105,756 shares by certain stockholders

Public offering price is $9.50 per share

Proceeds to company will be used for general corporate purposes, including purchase of new equipment and for working capital

Registration Statement No. 2-4890. Form A2. (11-19-41 Cleveland)

Amendments filed Jan. 8, Jan. 24, Feb. 2, and Feb. 25, 1942, to defer effective date

ILLINOIS COMMERCIAL TELEPHONE CO

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

Address—607 E. Adams St., Springfield Ill.

Business—This subsidiary of General Telephone Co. is engaged in providing, without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

	Amt. of Bonds	No. of Shs. of pfd. stk
Bonbright & Co., Inc., New York	$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement

Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock owned by parent company, at latter's cost Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

Registration Statement No. 2-4866. Form A2. (10-24-41)

Amendments filed Nov. 26, Dec. 15, 1941, Jan. 2, Jan. 21, Feb. 7, and Feb. 26, 1942, to defer effective date

INTER-MOUNTAIN TELEPHONE CO.

Inter-Mountain Telephone Co. filed registration statement with SEC for 25,000 shares common stock, voting, $10 par value

Address—Sixth and Crumley Sts., Bristol, Tenn.

Business—Supplies telephone service in portions of Virginia and Tennessee

Underwriters—Alex. Brown & Sons, Baltimore; Mason-Hagan, Inc., Richmond, Va.; Stern, Wampler & Co., Inc., Chicago; Equitable Securities Corp., Nashville, Tenn.; Courts & Co., Atlanta, Ga.; R. S. Dickson & Co., Inc., Charlotte, N. C.; Minnich, Wright & Co., Inc., Bristol, Tenn.

Offering—The 25,000 shares of common stock will be offered to the public, at a price to be supplied by amendment to registration statement. The shares are to be offered for the account of the underwriters, who are to acquire such shares as follows: Southern Bell Telephone & Telegraph Co. and Chesapeake & Potomac Telephone Co. of Virginia, have agreed to sell to above underwriters, a total of 25,000 shares of 6% non-cumulative convertible preferred stock, $10 par, of company, at a price to be supplied by amendment (20,665 shares of such preferred to be sold by former, 4,335 shares by latter). Underwriters agree that immediately following delivery to them of such shares of preferred stock, each will convert same, share for share, into a total of 25,000 shares of common stock of company

Proceeds will be received by the underwriters

Registration Statement No. 2-4908. Form A2. (12-6-41)

Amendments to defer effective date filed Dec. 22, 1941, Jan. 9, Jan. 27, Feb. 14, and March 2, 1942

LACLEDE GAS LIGHT CO.

The Laclede Gas Light Co. has filed a registration statement with the SEC for Certificates of Deposit for $10,000,000 of outstanding (with the public) Refunding & Extension Mortgage 5% bonds, dated Apr. 1, 1904.

Address—St. Louis, Mo.

Business—Engaged in the gas utility business within the city limits of St. Louis, Mo.

Offering—The Certificates of Deposit will be issued to holders of the above bonds in order to represent the deposit of said bonds under a Plan and Agreement dated Feb. 15, 1942, providing for the extension of the maturities of said bonds to Apr. 1, 1945. No underwriting involved.

Registration Statement No. 2-4946. Form A2 (2-12-42)

Laclede Gas Light Co. filed amendment with SEC on Feb. 28, 1942, to its registration statement for certificates of deposit to be issued under an offer to extend the maturities of its outstanding $10,000,000 of refunding and extension mortgage 5% bonds, dated April 1, 1904, to April 1, 1945. Changes to the plan, as outlined in the amendment, are substantially as follows:

(1) Ogden Corp. has agreed, subject to certain conditions, to purchase up to $3,000,000 of such bonds that have not been deposited or otherwise assented to the plan, that are available for purchase up to June 1, 1942. Ogden Corp. is not required to pay more than 100 and acrrued interest for any bond; and it will extend the maturity date of the bonds so purchased by it. Ogden Corp. proposes to sell the extended bonds acquired by it, from time to time, at prices not less than 99 and accrued interest, unless the SEC approves a lower price

(2) The effective date of the plan has been changed as follows: the board of directors of the company shall declare the plan operative when and if holders of $7,000,000 principal amount of the $10,000,000 of outstanding bonds have been deposited under or have otherwise consented to the plan. Such declaration must be made on or before May 1, 1942, unless extended, and the plan becomes operative 15 days after such declaration has been made

(3) Ogden Corp., which now holds $598,000 principal amount of the company's collateral trust 6% notes, due Aug. 1, 1942, has agreed to acquire an additional $1,402,000 principal amount, provided the company will provide for payment at maturity (Aug. 1, 1942) of the remaining $1,000,000 principal amount of such notes (to which the company has agreed). Ogden Corp. further agrees to extend to Aug. 1, 1942, the $2,000,000 principal amount of the notes to be held by Ogden Corp.

LIBERTY AIRCRAFT PRODUCTS CORP.

Liberty Aircraft Products Corp. filed registration statement with SEC for 60,000 shares Cumulative Convertible Preferred Stock, no par (dividend rate to be supplied by amendment), and 120,000 shares $1 par value common stock, latter to be reserved for issuance upon exercise of conversion rights of the preferred stock

Address—Farmingdale, N. Y.

Business—Engaged in manufacture and processing of parts and equipment for aircraft to customers' specifications, upon order. Owns about 50% of the outstanding common stock of The Autocar Co., which is engaged chiefly in the manufacture and sale of medium and heavy-duty motor trucks

Offering—The preferred stock will be offered to the public at a price to be supplied by amendment; the proposed maximum offering price, based on the SEC filing fee, is $25 per share

Underwriting—E. H. Rollins & Sons, Inc., New York, is named principal underwriter; names of the other underwriters will be supplied by amendment.

Proceeds will be used to the extent of $900,000 toward part payment of outstanding bank loans, and the balance will be added to working capital

Registration Statement No. 2-4934. Form A2 (1-28-42)

Amendment filed Feb. 26, 1942, to defer effective date

McDONNELL AIRCRAFT CORP.

McDonnell Aircraft Corp. **registered with SEC 6,453⅙ shares 6% Non-Cumulative Convertible Preferred Stock, $100 par, and 129,063⅓ shares common stock, $1 par**

Address — Lambert-St. Louis Municipal Airport, Robertson, Mo.

Business—Engaged in designing and development and selling parts for aircraft; expects presently to engage in business of manufacturing, testing and selling aircraft

Underwriting—None. Securities to be offered by company

Offering—Of the shares registered, the 6,453⅙ shares of preferred and 64,531⅔ shares of common, will be offered to public in units each unit consisting of one share of preferred and 10 shares of common stock, at price of $140 per unit. Remaining 64,531⅔ shares common reserved for issuance on conversion of the preferred

Proceeds for working capital, purchase of tools, machinery and equipment.

Registration Statement No. 2-4844. Form A-1. (9-17-41)

Effective—4:45 P.M., E.S.T., on Oct. 8, 1941 as of 4:45 P.M., E.S.T., Oct 6, 1941.

MILLER TOOL & MFG. CO.

Miller Tool & Manufacturing Co. has filed a registration statement with the SEC for 92,792 shares of common stock, $1 par value

Address—Detroit, Mich.

Business—Company is engaged in the manufacture and sale of service tools for use by the automotive industry

Underwriters—Baker, Simonds & Co., is named the principal underwriter

Offering—24,875 shares of common stock will be sold to the public for the account of the company; the remaining 67,917 shares registered are already issued and outstanding, and will be sold to the public for the account of certain selling stockholders. The public offering price is $4.20 per share

Proceeds will be used for the purchase of machinery and equipment and for working capital

Registration Statement No. 2-4920. Form S2. (12-26-41 Cleveland)

Amendments filed Jan. 10, Jan. 26, Feb. 11 and Feb. 28, 1942, to defer effective date

NORTHERN NATURAL GAS CO.

Northern Natural Gas Co. registered 710,500 shares of common stock, $20 par

Address — Aquila Court Bldg., Omaha Nebraska

Business—Production and transmission of natural gas

Underwriter—Blyth & Co., and others to be named by amendment

Offering—Stock will be publicly offered at price to be filed by amendment

Proceeds—All proceeds will be received by selling stockholders, United Light & Railways Co., and North American Light and Power Co.

Registration Statement No. 2-4741. Form A-2. (4-21-41)

Northern Natural Gas Co. filed an amendment to its registration statement of shares of its $20 par value common stock proposed to be offered to the public has been reduced from 710,500 shares to 355,250 shares. According to the amendment, such 355,250 shares are those that are presently owned, and outstanding by North American Light & Power Co. and are to be offered to public for the account of American Light & Power Co

The 355,250 additional shares orginally registered with the SEC on April 21, 1941, for public offering, and withdrawn from registration were subsequently registered and became effective. These shares constituted the stock outstanding and owned by United Light & Railways Co., a subsidiary of United Light & Power Co.

PUBLIC SERVICE CO. OF INDIANA, INC.

Public Service Co. of Indiana, Inc., registered with SEC $42,000,000 first mortgage series D 3⅜% bonds, due Dec. 1, 1971

Address—110 N. Illinois St., Indianapolis, Ind.

Business—Incorporated in Indiana on Sept. 6, 1941, as result of consolidation of Public Service Co. of Indiana, Central Indiana Power Co., Northern Indiana Power Co., Terre Haute Electric Co. and Dresser Power Corp. Company is a public utility operating in State of Indiana and is engaged principally in production, generation, manufacture, purchase, transmission, supply distribution and sale of electric energy and gas, and in the supply, distribution and sale of water.

Underwriting and Offering—The bonds will be sold under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters, and public offering price, will be supplied by post-effective amendment to registration statement

Proceeds, plus other funds of company if necessary will be applied to redemption, within 40 days after issuance of the bonds, of the $38,000,000 of Public Service Co. of Indiana first mortgage series A 4% bonds, due Sept. 1, 1969, at 106½ and accrued interest; and $4,000,000 of the net proceeds will be deposited with the trustee under the series D indenture and will be used in accordance with the provisions of the indenture

Registration Statement No. 2-4893. Form A2. (11-22-41)

Effective—10 a.m. E.S.T. on Dec. 6, 1941

No bids for the purchase of the bonds were received on Dec. 16, 1941

SOUTH CAROLINA INSURANCE CO.

South Carolina Insurance Co. registered with SEC 12,500 shares common stock, $8 par value

Address—1400 Main St., Columbia, S. C.

Business—Engaged principally in the writing of fire insurance

Underwriting and Offering—The shares will first be offered for subscription to present stockholders, under their preemptive rights, at price of $16 per share. Unsubscribed portion of such shares will be offered to public at $18 per share, within 30 days after effective date of registration statement. Underwriters will be named by amendment; underwriting commission will be $2 per share

Proceeds will go directly to capital ($100,000) and the residue to surplus. Company deems it essential to comply with laws of New York State, soon to become effective requiring a minimum capital of $250,000 and with the laws of Massachusetts requiring a minimum capital of $300,000

Registration Statement No. 2-4898. Form A2. (11-27-41)

Amendments filed Dec. 16, 1941, Jan. 3, Jan. 22, Feb. 10 and Feb. 27, 1942, to defer effective date

R. L. SWAIN TOBACCO CO., INC.

R. L. Swain Tobacco Co., Inc., filed a registration statement with the SEC for 5,000 shares Class A common stock, $1 par value, and 60,000 shares Class B common stock, $1 par value

Address—Danville, Va.

Business—Company markets Panax Processed Pinehurst cigarettes, manufactured for company under its Panax Process by Axton-Fisher Tobacco Co., Inc. The Panax Process acts as a hygroscopic or moisture retaining agent. Panax is a demulcent—soothes the membranes of the throat, and is tasteless and oderless

Underwriting and Offering—The shares will be offered to the public at a price of $5 each for each class of stock, by John W. Yeaman, Martinsville, Va.

Proceeds will be used for plant additions, for purchase of additional equipment, and for working capital

Registration Statement No. 2-4928. Form A1 (1-9-42)

Registration effective 4:45 p.m., E. S. War Time, on March 2, 1942

TEXAMERICA OIL CORP.

Texamerica Oil Corp. **registered with SEC 119,891 shares common stock, $2 par.**

Address — Milam Bldg., San Antonio, Tex.

Business—Engaged in production and marketing of crude oil, acquire mineral leasehold interests in producing or proven oil properties in Texas, drilling of oil wells thereon, acquire royalty interests in proven and developed oil properties.

Underwriter—Willard York Co., San Antonio, Tex., has agreed to purchase 44,750 shares at $1.75 per share and 74,157 shares at $2, from company.

Offering—118,907 shares to be offered to public at $2.375 per share; remaining 984 shares registered constitute shares issued July 1, 1941, by company, as dividends.

Proceeds—Will be used to pay outstanding mortgage indebtedness ($200,000), and remaining $26,626 will be added to working capital

Registration Statement No. 2-4824 Form A-1. (8-27-41)

Amendment filed Feb. 11 to defer effective date.

TREASURE MOUNTAIN GOLD MINING CO.

Treasure Mountain Gold Mining Co. filed a registration statement with the SEC for 150,000 shares common stock, 25 cents par value

Address—Denver, Colo.

Business—Company has been organized to develop and operate gold and silver mines on Treasure Mountain, in San Juan County, Colo.

Underwriting—None

Offering—Company will sell such shares directly to the public, at a price of 50 cents a share

Proceeds will be used for working capital

Registration Statement No. 2-4937. Form S3 (1-29-42)

Amendment filed Feb. 11 to defer effective date

TUNG GROVE DEVELOPMENT CO., INC.

Tung Grove Development Co., Inc., filed registration statement with the SEC for

This appears merely as a matter of record as all of this Preferred Stock has been sold. It is under no circumstances to be construed as an offering of this Preferred Stock for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such Preferred Stock. The offer is made only by means of the Prospectus.

ADDITIONAL ISSUE

35,000 Shares

MONSANTO CHEMICAL COMPANY

Cumulative Preferred Stock, Series C

(No Par Value)

$4 Dividend

Price $105.50 per share

plus accrued dividends from date of issue

Copies of the Prospectus may be obtained from the undersigned only in such States as the undersigned may legally offer this Preferred Stock in compliance with the securities laws thereof.

SMITH, BARNEY & CO.

March 4, 1942

Contracts for sale of land and development of tung groves thereon, aggregating $450,000

Address—Ocala, Fla.

Business—Engaged in the planting, cultivation and care of tung groves on lands of others under contract or upon orders from such owners, in Marion and Citrus Counties, Fla. Business is now being expanded to include the purchase, sub-division and sale of lands in these counties for development in tung groves

Underwriting—Details of underwriting or distributing method to be employed, will be supplied by amendment

Offering—Company will offer, through the Contracts, land suitable for tung grove development, together with its contract for the clearing, planting and development of a tung grove thereon, in units of not less than 10 acres at a total price of $45 per acre, payable one-fourth down and the balance in 3 equal annual payments

Proceeds for working capital, as payment for land sold and for development work and materials

Registration Statement No. 2-4935. Form S2 (1-28-42)

Registration Effective but apparently deficient at 4.45 p.m. E. S. War Time on Feb. 16, 1942. A hearing set before the SEC for March 3 postponed to March 31, 1942

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis, Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Reed & Co., New York, is named the principal underwriter. Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. Form A2 (2-2-42)

Union Electric Co. of Missouri, on Feb. 9, 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock, all of which are owned by its parent company, The North American Co. The names of the underwriters, and the maximum number of shares of such common stock which each agreed to purchase were listed in the "Chronicle" of Feb. 26, 1942, page 846

Amendment filed March 2, 1942, to defer effective date

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati, Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

Amendments filed Nov. 25, Dec. 13, Dec. 31, 1941, Jan. 19, Feb. 7, and Feb. 26, 1942, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. registered $75,000,000 first mortgage and collateral trust 3¼% bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

Registration Statement No. 2-4760, Form A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the pest possible price."

VIRGINIA PUBLIC SERVICE CO.

Virginia Public Service Co. filed a registration statement with the SEC for: $22.800.000 first mortgage 3½% bonds, due Dec. 1, 1971; $5,700,000 of 2%-3½% serial notes, due semi-annually June 1, 1944-Dec. 1, 1951, in varying amounts (from $320,000 to $390,000); 70,000 shares 5½% cumulative preferred stock, $100 par value; and 628,333 shares common stock, no par

Address—117 S. Washington St., Alexandria, Va.

Business—Company is principally an electric operating public utility engaged in the production, purchase, transmission, distribution and sale of electric energy at retail and wholesale in Virginia, West Virginia and, to a minor extent, in North Carolina. Company is a subsidiary of General Gas & Electric Corp., which is in the Associated Gas & Electric Corp. holding company system

Underwriting and Offering—The securities registered will be sold through competitive bidding, under the SEC's competitive bidding Rule U-50 of the Public Utility Holding Company Act. Only exception is confined to such shares of the new preferred stock as may be issued on a share for share basis (with a cash adjustment) to holders of the presently outstanding preferred stock who do not elect to take cash for their stock. Name of underwriters, and public offering prices for the securities, will be supplied by post-effective amendment to registration statement

Proceeds will be used as follows: The 628,333 shares of new no par common stock will first be issued to General Gas & Electric Corp. in exchange for the old common stock now held by General Gas & Electric Corp., and will be offered for sale through competitive bidding. The proceeds from the sale of the securities registered will be used to retire all of the outstanding long-term indebtedness of the company, its predecessor and constituent companies, and that of Virginia Public Service Generating Co. (a subsidiary), to make cash payments to its present preferred stockholders, and to provide company with funds for new construction

Registration Statement No. 2-4913. Form A2. (12-12-41)

Amendments to defer effective date filed Dec. 26, 1941, Jan. 10, Jan. 31 and Feb. 19, 1942.

WEST INDIES SUGAR CORP.

West Indies Sugar Corp. filed a registration statement with the SEC for 463,691 shares of common stock, $1 par

Address—60 E. 42nd St., New York City

Business—Company, organized in 1932 pursuant to the plan of reorganization of Cuban Dominican Sugar Corp. and certain of its subsidiaries, is solely a holding company owning the securities of several operating subsidiaries engaged principally in the production of raw cane sugar and invert and blackstrap molasses in the Dominican Republic and Cuba

Underwriters will be named by amendment

Offering—The shares registered are already outstanding, and are owned by City Company of New York, Inc., In Dissolution, to the extent of 436,691 shares; National City Bank of New York, parent of the former company, is the holder of the remaining 17,000 shares registered. The aggregate of the shares registered represents 47.7% of the outstanding common stock of the company, and will be offered to the public, at a price to be supplied by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4923 Form A2. (12-29-41)

Bond Club Of Denver Bowling League Returns

DENVER, COLO.—The Bowling League of the Bond Club of Denver announces the scores for the fifth week of the meets:

	Won	Lost	Pct.
Roystones	14	1	.933
Odd-Lots	11	4	.733
Municipals	8	7	.533
Over-the-Counters	7	8	.467
Preferreds	7	8	.467
Corporates	5	10	.333
Investment Trusts	4	11	.267
Dividends	4	11	.267

The Roystones are captained by Leon Macart, Municipals by Norman Godbe of Geo. W. Vallery & Co., Odd-Lots, by Jerry Ryan, Peters, Writer & Christensen, Preferreds by Hal Myers, Corporates by Bernard Kennedy, Bosworth, Chanute, Loughridge & Co., Over-the-Counter by Lewis Nance, Brown, Schlessman, Owen & Co., Investment Trusts by Chan Lilly, and Dividends by Smith.

High team series is held by the Odd-Lots; high team game by the Municipals; high individual series by Norman Godbe with a score of 569; high individual game by Chan Lilly with a score of 237.

Reischman & Kamprath With Dean Witter & Co.

(Special to The Financial Chronicle)

BAKERSFIELD, CALIF.—Lawrence P. Reischman and Gerald H. Kamprath have become associated with Dean Witter & Co., whose main office is located at 45 Montgomery St., San Francisco. Mr. Reischman was formerly Bakersfield manager for many years for J. A. Hogle & Co., with which firm Mr. Kamprath was also connected.

Liberalizes Freezing Control Restrictions

The Treasury Department on Feb. 23 liberalized the freezing control restrictions by according to refugees arriving in the United States after June 17, 1940, the same treatment as that previously extended to other refugees.

At the same time the Treasury announcement simplified the freezing control regulations with respect to resident aliens by consolidating into one general license the freezing control provisions applicable to all individuals (except nationals of Japan) now residing in the United States, and to the business concerns blocked solely because of the interest of such individuals. This was done by amending General License No. 42 and at the same time revoking General Licenses No. 42-A and No. 68.

In explaining this new policy, the Treasury's announcement stated:

> For some time the practice of the Treasury Department has been to liberalize the freezing control restrictions relating to bona fide immigrants and refugees in the United States and, at the same time, to tighten the controls in their application to individual cases singled out for close supervision. The experience gained by the Foreign Funds Control during the past 22 months and the mass of information gathered by it, particularly on the TFR-300 census reports, have enabled the Treasury Department effectively to carry out this policy.
>
> Treasury officials stated that persons dealing with residents of the United States may now assume that such residents are not blocked unless they are affirmatively on notice to the contrary. The Treasury Department will rely on banking institutions to exercise continued vigilance in seeing that accounts which are not entitled to the privileges of General License No. 42 remain blocked, in carrying out instructions of the Treasury Department in cases which are singled out for special treatment, and in bringing unusual or otherwise suspicious transactions to the attention of the Foreign Funds Control through the Federal Reserve Banks.

Nationals of China, who were previously subject to the provisions of General License No. 68, are now entitled to all the benefits of General License No. 42.

The new General License No. 42 does not free the accounts of persons who have been acting on behalf of Axis countries. Likewise, it has no effect on the great bulk of frozen assets, which are owned or controlled by foreign governments or by individuals or concerns located outside the United States. Nationals of Japan are still subject to the provisions of General License No. 68A and were not affected by today's action.

Interested In Sugar?

An analysis of the Amalgamated Sugar Company prepared by Edward L. Burton & Company, 160 South Main Street, Salt Lake City, Utah, has just come off the press. Burton Company will send copies of this analysis or an analysis of the Utah-Idaho Sugar Company upon request.

Curb Seat Retirement

Arrangements have been made by the New York Curb Exchange to purchase and retire the membership of Eugene J. Sweeney for $1,000. When arrangements for the sale were completed March 4, the Exchange had retired 31 seats and reduced the number of regular memberships to 519.

Schenley Debentures Offered At Par

Mellon Securities Corp. and associated underwriters on March 4 offered publicly $15,000,000 of Schenley Distillers Corp. 10-year 4% sinking fund debentures at a price of 100% and accrued interest. Departing from the usual method of offering securities through a selected selling group, the underwriters are accepting subscriptions from dealers who are members of the National Association of Securities Dealers, Inc., on the basis of "first come first served. Dealers' concession on the 4% debentures is 1½%.

Net proceeds from the sale of the debentures together with bank loans borowed under a new 10-year bank credit agreement and other short term bank loans not exceeding $500,000, will be used to refund all the present borrowings of the corporation.

As part of the financing, the corporation has arranged a revolving credit of $15,000,000 under a 10-year bank credit agreement with the following banks: Bankers Trust Co., New York; The Union Trust Co. of Pittsburgh; Security-First National Bank, Los Angeles; Mellon National Bank of Pittsburgh; Farmers Deposit National Bank of Pittsburgh and Toledo Trust Co. The agreement limits other current borrowings by the corporation to $10,000,000 at any one time.

Sinking fund provisions of the debentures require annual payments beginning in 1943 sufficient to retire 100% of the 10-year debentures by maturity.

Associated with Mellon Securities Corp. in the offering of the debentures are: A. C. Allyn and Co., Inc.; Blair & Co., Inc.; Blyth & Co., Inc.; Alex. Brown & Sons; Curtiss, House & Co.; Dillon, Read & Co.; Emanuel & Co.; Estabrook & Co.; The First Boston Corp.; Hallgarten & Co.; Harris, Hall & Co., Inc.; Hawley, Shepard and Co.; Hayden, Miller & Co.; Hemphill, Noyes & Co.; W. E. Hutton & Co.; Jackson & Curtis; Johnson, Lane, Space & Co., Inc.; Kebbon, McCormick & Co.; Kidder, Peabody & Co.; Kuhn, Loeb & Co.; Lazard Freres & Co.; Lee Higginson Corp.; Carl M. Loeb, Rhoades & Co.; Laurence M. Marks & Co.; McDonald-Coolidge & Co.; Merrill Lynch, Pierce, Fenner & Beane, Merrill, Turben & Co.; Moore, Leonard & Lynch; F. S. Mosley & Co.; The Ohio Co.; Paine, Webber & Co.; Parrish & Co.; Reinholdt & Gardner; Riter & Co.; E. H. Rollins & Sons Inc.; Schwabacher & Co.; Singer, Deane & Scribner; Stein Bros. & Boyce; Stern Brothers & Co.; Stone & Webster and Blodget, Inc.; Stroud & Co., Inc.; Spencer Trask & Co.; Tucker, Anthony & Co.; Union Securities Corp.; G. H. Walker & Co.; Wertheim & Co.; and Whiting, Weeks & Stubbs Inc.

To Be Lamson Partner

CHICAGO, ILL.—Edward F. Thompson, Jr., will shortly become a partner in Lamson Bros. & Co., 141 West Jackson Boulevard, members of the New York and Chicago Stock Exchanges.

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R. Hoe & Co.
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American Hair & Felt
N. Am. Refrac. 6½% Pfd.
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BELL TELETYPE NEW YORK 1-576
HARTFORD TELEPHONE ENTERPRISE 6425
BOSTON TELEPHONE ENTERPRISE 1250

Monsanto Chemical Sells Preferred Shares

Public offering of an additional issue of 35,000 shares of cumulative preferred stock, series C, no par value, $4 dividend, of Monsanto Chemical Co. was made March 4 by Smith, Barney & Co. at a price of 105½ per share plus accrued dividend from date of issuance. Since dividends will accrue on the new stock from date of issuance only, whereas the outstanding series C stock carries the regular dividend from Dec. 1, which was the last dividend date, the new stock will have a different market from the outstanding stock until the ex-dividend date for the June 1 dividend after which both issues of series C preferred should have one market. With this additional series C preferred stock, the company will have outstanding a total of 110,000 shares of this series.

The net proceeds from the sale of the additional shares, after deducting the estimated expenses of the company, will be added to the cash funds of the company.

Sales have materially increased in the past two years largely as a result of the war in Europe and the defense program in the United States. While the company can make no predictions regarding future sales under the war program, it believes however that the effect of war measures such as Government restrictions, requirements, priorities and allocations may be more to change the relative importance of particular products and of consuming industries than to curtail the total volume of products at present manufactured and sold by the company. The Company has undertaken to construct or to furnish consultant service in connection with the construction for the Government of a number of plants to manufacture products required for the war program and to operate the plants for account of the Government when completed.

The series C preferred stock is redeemable at $100 per share and accrued dividends plus a premium of $7.50 per share if redeemed on or prior to March 31, 1946 and a premium of $5 per share if redeemed after that date.

Heighway and White Now With Hornblower & Weeks

(Special to The Financial Chronicle)

CHICAGO, ILL. — Oliver H. Heighway and John Gerald White have become associated with Hornblower & Weeks, 39 South La Salle St. Mr. Heighway was formerly manager of the municipal trading department for Knight, Dickinson & Co.; in the past he was with the Harris Trust & Savings Bank. Mr. White was previously with Otis & Co., Blair Securities Co., Stifel, Nicolaus & Co., and Mackubin, Legg & Co.

NYSE Nominating Com. Gets Names For Slate

A total of 18 names have been suggested to the Nominating Committee of the New York Stock Exchange for the positions to be filled at the annual election on May 11. The occasion was the first of three meetings this month of the Nominating Committee, which members and partners were invited to attend. The slate of nominees will be posted on April 13.

Chairman:

George R. Kantzler, E. F. Hutton & Co., and Robert L. Stott, Wagner, Stott & Co.

Three governors, members of the Exchange residing and having their principal places of business within the Metropolitan area of the City of New York: Robert P. Boylan, at E. F. Hutton & Co.; Robert D. Danks, Ernst & Co.; Robert J. Hamerschlag, Hamerschlag, Borg & Co.; George R. Kantzler, E. F. Hutton & Co.; Harold C. Mayer, Bear, Stearns & Company; H. Van Brunt McKeever, Goodbody & Co.; John Rutherford, at Reynolds, Fish & Co., and Frederick C. Whaley, Whaley & Potter.

Two governors who shall be allied members or non-members residing and having their principal place of business within the Metropolitan area of the City of New York, who shall be general or limited partners in member firms engaged in a business involving direct contact with the public: Oliver R. Grace, Sterling, Grace & Co.; Thomas J. Hickey, Vilas & Hickey; Maynard C. Ivison, Abbott, Proctor & Paine, and Murray D. Safanie, Shearson, Hammill & Co.

Three governors who shall be members or allied members or non-members of the Exchange residing and having their principal places of business outside of the Metropolitan area of the City of New York, who shall be general or limited partners in member firms engaged in a business involving direct contact with the public, of whom not less than one shall be a member of the Exchange: Sydney P. Clark, E. W. Clark & Co., Philadelphia; R. W. Courts, Jr., Courts & Co., Atlanta; Edward H. Hilliard, J. J. B. Hilliard & Son, Louisville; Wm. Wallace Lanahan, W. W. Lanahan & Co., Baltimore; James J. Minot, Jackson & Curtis, Boston, and Buford Scott, Scott & Stringfellow, Richmond.

Walter W. Stokes, Jr. is Chairman of the Nominating Committee and Charles S. Hirsch, Jr. is Secretary. Other members of the Committee are Newcombe C. Baker, Austin Brown and Holstein De Haven Fox.

F. J. Young To Buy Cordoba City Bonds

F. J. Young & Co., Inc., New York, have been authorized to purchase $4,210,500 Municipality of Cordoba (Argentine) 7% external sinking fund gold bonds of 1927, due Aug. 1, 1957, or certificates of deposit therefor, and $966,000 Municipality of Cordoba (Argentine) 10-year 7% external sinking fund gold bonds of 1927, due Nov. 15, 1937, or judgments in respect thereof, rendered by the Federal Court of Cordoba on behalf of individual bond holders.

The offer of purchase is subject to F. J. Young & Co. Inc. being able to purchase an aggregate of not less than $4,141,200 principal amount (not including unpaid interest or additional claims arising from the Readjustment Plans of 1934) of bonds, certificates of deposit and/or judgments, without distinction as between the issues. The purchase will be made at stipulated net flat prices giving effect to different payments on account of interest received by respective holders.

Holders of these securities who wish to accept the offer are urged to forward their securities to The Continental Bank & Trust Co. of New York, corporate trust department, 30 Broad Street, which is acting as agent for F. J. Young & Co. Inc. with respect to the offer. Funds have been deposited in New York to satisfy this offer of purchase, and after March 31, 1942, if and when the required amount of securities have been deposited in acceptance of the offer The Continental Bank & Trust Co. will forward checks to depositors in the amounts to which they are entitled. The offer expires Mar. 31, 1942. However, any securities deposited may be held subject to the right of purchase at the prices stipulated until May 31, 1942. If at that time F. J. Young & Co. Inc. is unable to arrange for the purchase of the securities, all securities deposited with the bank will be returned without charge for expenses.

Protecting Capital And Income In War Years

A most interesting and attractive booklet, entitled "Protecting Capital and Income in War Years and After," a study of the record of insurance stocks as investments during World War I, has just been issued by Wyeth & Co., 647 South Spring Street, Los Angeles, Calif. It is logical to assume, the study states, that insurance stocks will again during the present war provide investors the same degree of protection and profit as in the first World War when the major companies in this field provided superlative protection for both the capital and income of their stockholders. Comparative figures of premium income, earnings, cash dividends and liquidating value of the 10 largest fire insurance companies for 1914-1922 are graphically illustrated. Copies of the booklet may be had from Wyeth & Co. upon request.

Form May, Borg & Hess

Franklin T. Birdsall and Monroe F. Hess, partners in the dissolved firm of Birdsall & Hess, have become partners in L. S. May & Company and the firm's name has been changed to May, Borg & Hess. The new organization will be located at 39 Broadway, New York City, in the offices formerly held by Birdsall & Hess.

Partners are L. Sylvester May, Franklin T. Birdsall, both members of the New York Curb Exchange, Joseph E. Sylvester, Sol Frank, John S. Borg and Monroe Hess.

Merck & Co., Inc.
(common & preferred)
Brown & Sharpe
World's Fair 4s, 1941
Merrimac Mfg. Co.
United Cigar-Whelan
Evans Wallower Zinc
Mexican Internal & Ext'l Bonds
M. S. WIEN & CO.
Members N. Y. Security Dealers Ass'n
25 Broad St., N.Y. HAnover 2-8780
Teletype N. Y. 1-1397

Shields Inaugurates Weekly Stock Letter

Inauguration of a weekly preferred stock letter which features for the first time an index of preferred stocks to include noncallable, high-grade preferreds, high-grade and second-grade industrial preferreds and high-grade and second-grade utility preferreds, is announced by Shields & Co., 44 Wall Street, New York City, members of the New York Stock Exchange, as the result of a long and careful study of this important phase of the stock market. This is the first time, it is believed, that a preferred stock letter and index have been made available, reflecting in detail the trend of the listed and unlisted markets and also serving as a guide in determining the pricing of new issues of preferred stocks.

The first issue of the letter, which is in printed form, appears under date of Feb. 26 and includes a review of the market for preferred stocks with a discussion of new issues and the pricing thereof in relation to market factors and yields.

According to the announcement, the value of this new market letter is to be found in its novelty; the fact that houses generally have eliminated market letters; that the new market letter fits in with the new methods of doing business in the Street today; and the importance of having a practical index as a guide to new prefererd stock financing.

It is planned to distribute this letter weekly to a select group of dealers throughout the country. It is expected that these dealers will list with the firm the preferred stocks in which they have an interest.

Security Loans Arranged By N. Y. Curb Exchange

Since June 18, 1941, the Department of Transactions and Quotations of the New York Curb Exchange has undertaken on request to borrow securities or to negotiate loans between firms to expedite delivery and to avoid buy-ins. Until recently, however, the Exchange says, this service seems to have been little known. The department is appealing to the cashiers of member houses to instruct their loan clerks to assist the Exchange when possible. Any houses which are willing to loan securities through the Exchange are requested to communicate directly with the department.

Often the request for the loan of a security is made because a stock is tied up in transfer awaiting legal papers or because the sale has been made for a Canadian account and delivery can be made only after the granting of an application for a permit. Again stock has been borrowed to help specialists to speed up odd-lot transactions.

The staff has been successful in locating a great deal of the stock to be borrowed in New York City, but it has also borrowed from Cincinnati, from St. Louis, and even from the Pacific Coast.

Final Edition THURSDAY In 2 Sections — Section 2

The COMMERCIAL & FINANCIAL CHRONICLE

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FROM WASHINGTON AHEAD OF THE NEWS

Inasmuch as politics has come to be this country's biggest industry, apparently the most profitable, it is essential that business men know some of its tricks. For example, when the New Dealers talk of the need of "organization" so the little man can protect himself, they also have in mind the "organization" of all the people so they will be easier to deal with. A relatively few leaders of blocs or groups of people can be more easily dealt with than 130,000,000 individuals. My recollection is that Mussolini was the first one in our time to apply this idea.

The New Deal itself serves as a vast holding company over a lot of subsidiaries—its ramifications make the giant power pyramids of the past look like pikers. Just now it is having trouble with one of its subsidiaries, the American Farm Bureau, headed by Edward A. O'Neal. He breaks over the traces and launches a devastating attack on the Farm Security Administration. Aside from countering with a smear attack on O'Neal, the New Dealers get Philip Murray, President of the CIO to come to their rescue. Murray has sent out the word to his influential lobby to support the FSA, frankly on the grounds that the "farmers" and the "workers" should stick together. He serves a double purpose here. Aside from responding to the New Deal's call for help, he tends to undermine John L. Lewis in his efforts to organize the farmers.

O'Neal's disaffection reflects an anti-New Deal trend in agriculture which was manifest in the last campaign, and which, from all indications has become more pronounced since. The war is resting less easily in the rural sections. Furthermore, the farmers have been sold for some 20 years on the idea that they got the short end of the last war and now are being sold on the idea, by their Congressmen, that they are getting the short end of this one.

So by and large, you can put it in your cap and smoke it that the whole power of the Administration will be exerted against the repeal of any of the so-called so-

(Continued on Page 967)

On The Foreign Front

European Stock Markets

Dealings on the London Stock Exchange were fairly active in recent sessions, and prices of most securities were well maintained. The war developments apparently have been discounted, for the time being, although prediction is idle in the sort of conflict that now is in progress on many fronts. Favorable possibilities seem to impress British investors quite as much as the unpleasant aspects of the world situation.

Gilt-edged stocks were in demand this week at London, owing in part to a plethora of investment funds, Payment has now been made by the British Treasury for sizeable amounts of recently requisitioned Indian and Canadian securities, and the money is moving principally into British funds. No demand is reported for tea and rubber shares, and Burma oil issues fell sharply for a time. The industrial list held well, however, and home rails also reflected some inquiry. Latin-American stocks were purchased steadily, and South African securities likewise were improved.

Few reports are available as to trends in markets on the European Continent. The French exchanges are operating under ever closer official supervision, and this in turn is said to be occasioning a good deal of direct private trading. The trend in French securities is upward, over the long run, partly in reflection of a flight from currency.

Pacific Coast "Raid"

President Roosevelt ordered on Monday a drastic reorganization and simplification of the United States Army high command, with a view to the most effective wartime use of all branches of this service. It is altogether probable that similar measures will be taken with respect to the Navy and other forces. The need for action long has been apparent,

(Continued on Page 966)

One Reader Says...

"The Financial Chronicle has been so useful that we have had the copies bound and kept for reference."

Running through our correspondence, we find a subscriber whose file of bound copies dates back to 1887—another to 1906—and still another to 1880. Can there be any doubt in your mind about the value of binding your copies of the Financial Chronicle, of having at your finger tips a complete record of all important financial developments? The new Financial Chronicle was designed for binding. With the larger page size, bound volumes will be thinner, will open flat and will be easier to handle.

This is merely a suggestion—passed along to you because we want you to get full value from your subscription to the Financial Chronicle.

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THE FINANCIAL SITUATION

Political skirmishes preliminary to the elections this autumn have raised a number of questions for the electorate concerning which there is unfortunately already considerable confusion of counsel. These issues have to do not so much with opinions about public policies, present or prospective, as with the right or the propriety of the ordinary citizen holding and freely expressing opinions. The chairman of the National organization of the Democratic Party started animated discussion of one phase of these matters some time ago by asserting in effect that it is the war-time duty of the voters to elect a Democratic majority in Congress. Response to this repetition of the familiar Wilsonian error of an earlier day was, of course, unfavorable, and the President a few days later let it be known that, in his view, faithful support of his Administration rather than party label should be the criterion. The public, or the more thoughful sections of it, soon, however, were seen to be anything but unanimous in support of this amended version of the presumtive position of the Democratic party.

These are but the political aspects or manifestations of more fundamental questions concerning the conduct of individuals in a democracy at war. The President obviously is, as most Presidents before him being human have been, impatient with those who disagree with and resentful of opposition at this time. He is, of course, greatly over-burdened with work and resposibility, and, moreover, at the time of his recent radio address, was obviously still suffering from the indisposition from which he had been suffering. On these grounds doubtless he will, and perhaps should be, excused for the heat, not to say ill-temper, which at places marred that utterance. But however that may be, it, obviously, can not be conceded that the citizen of this democracy is not privileged to disagree at all with the President and Commander-in-Chief in time of war, no matter how grave or urgent the situation. The President is, of course, entitled, indeed it is his duty, to persuade the people that the course of action chosen is the wise one, but he may not legitimately abuse or even condemn any individual who, with the good of the country at heart fully

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Trouble Makers Now As Then

The method used by these individuals, whose loyalty to the welfare of this Government is questionable, is to pick out and convince some gullible American worker, employed by a company engaged in defense contract work, that his or her company is making large profits from war contracts and that he and his co-workers are not sharing therein.

This underhanded movement to stir up discontent and friction is following the same pattern as used by Axis representatives in France and other conquered countries. If the American workers would look behind the scene they would see their enemies pulling the strings to use them as puppets and suckers. They are very foolish to fall for such bait.

Of course, there may be one contractor here or there who is taking unfair advantage of labor, but such un-American treatment is soon discovered to the discomfort of the transgressors. Furthermore, I'll say that for every selfish and greedy contractor there are thousands of others who see that their employes receive just compensation for services rendered.—Colonel Roy M. Jones.

That this sort of trouble making is to be found in American industry now as heretofore no one doubts.

How much of it is Axis inspired we do not know.

What we are certain of is that much of it is being done by professional trouble makers who in the past have often been encouraged by Washington to believe that they were serving their fellowmen.

$32 Billion War Bill Voted By Congress

The U. S. Senate on March 2 approved a $32,762,737,900 war supply bill, the largest appropriation bill in the Nation's history. Since the measure was $691,836,000 above that passed by the House on Feb. 17, it was returned there where it was agreed to later that day and sent to the President.

The measure carries appropriations and contract authorizations for activities of the Army, the Maritime Commission and the Lend-Lease Administration. With regard to the funds, the Associated Press reported:

> The mammoth appropriations bill, as approved by the Senate, contained $691,836,000 more than previously voted by the House. The Senate added $596,836,000 for clothing and equipment for the Army and $95,000,000 for warehousing lend-lease goods.
>
> The War Department would obtain $23,485,737,900 under the bill, of which $13,252,200,000 would be for Army ordnance and supplies and $3,011,512,000 for expediting production.
>
> The Maritime Commission would receive $1,502,000,000 in cash and $2,350,000,000 in contract authority for the purchase of 1,476 cargo ships, thus increasing its construction goal to 2,877 vessels.
>
> Direct appropriations of $5,425,000,000 for lend-lease activities were included in the measure, with the proviso that up to one-half of the equipment to be turned out for the Army under the bill could be sent to other nations.

Passage of the bill by the House was noted in these columns Feb. 19, page 762.

To Head SEC Ins. Co. Div.

The Securities and Exchange Commission announces the appointment of Harry Heller as Director of the Investment Company Division. He will succeed John Hollands, who has resigned to accept a position with the War Production Board.

The Commission also announced the appointment of Anthon H. Lund as Assistant Director of the Division to succeed Mr. Heller.

Concerning the careers of the appointees, the Commission said:

> The new Director graduated from Columbia University in 1929 and from Columbia University Law School three years later, where he was an editor of the Columbia Law Review. Mr. Heller has been associated with the Investment Company Division since its formation in 1940, prior to which time he was an attorney on the staff which made the study of investment trusts. Prior to his coming to the Commission in 1935, Mr. Heller was engaged in the private practice of law in New York City. He is a member of the New York State Bar.
>
> Mr. Lund studied accounting at the University of Utah and law at Southeastern University, Washington, D. C. He became associated with the Federal Trade Commission in 1931 as an accountant and two years later transferred to the Securities Division of that Department upon the enactment of the Securities Act of 1933. A year later, when Congress enacted the Securities Exchange Act of 1934, Mr. Lund transferred to the Securities and Exchange Commission, where he became associated with the Registration Division.

Editorial—

Cynicism On Public Debt

There is no subject, save only the conduct of the war itself, on which straight, hard thinking is more necessary than on the public debt, which is rising with extraordinary speed as a consequence of the war and of continued profligacy in Government circles. A cynical attitude toward the public debt is a distinct disservice at a time when the Treasury is under the necessity of appealing to investors for funds to cover that portion of a contemplated outlay of some $150,000,000,000 which cannot be garnered in immediate taxation. Such cynicism nevertheless is appearing in both expected and unexpected quarters.

It is appearing, unfortunately and unexpectedly, in scholastic circles, where an adherence to the simplest and soundest fundamentals of economic lore obviously is advisable. The scholastic economists in recent years have furnished the Administration in Washington with many crackpot notions. They have contributed greatly to the confusion on economics now prevalent in the United States. No need exists, surely, of adding to the chaos by tendentious and misleading references to the public debt.

In a survey of the mounting public debt just issued by the Institute of International Finance, of New York University, it is commented that: 'In contrast to private debts, public debts as a rule do not have to be reduced or repaid." Such statements not only are misleading, but also are dangerous, for they foster the notion sedulously cultivated at Washington that the size of the public debt does not matter, since "we owe it to ourselves." Much of the survey by the Institute is on the usual high plane of that organization, which makes all the more glaring a misleading comment that manages to make the headlines.

Slighting and even satyrical references to the study of economics have been attributed to President Roosevelt on many occasions. In recent weeks he is said to have remarked to a group of press representatives that everything he learned about economics in four years of college study was wrong. It is fairly clear that the President has debt problems in mind when he makes such references. For his lip-service to economy in government contrasts sharply with the violent increase in actual expenditures and in the public debt which has steadily continued since 1933. Even today, when non-defense outlays plainly ought to be cut to the bone, Mr. Roosevelt encourages enormously costly appropriations which have nothing whatever to do with the primary problem of winning the war.

Is it true that public debts as a rule do not have to be reduced or repaid? If so, then the size of the public debt truly does not matter. Yet the Institute in another part of its survey warns against the danger of adopting the attitude that the size of the debt does not matter so long as the interest is paid. At a certain point, it is noted, the burden of interest charges may become so heavy as to cause the Government to resort to currency depreciation or compulsory conversion of the debt.

Actually, public debts always are reduced or repaid, in either of two ways. The United States, throughout its long history, has taken the honorable way of meeting the debt from the proceeds of taxation. It can be argued that this simple standard of honesty is being vitiated, through toying with the currency. For the second and less honorable way of reducing or repaying the public debts is that of changing the rules of repayment by any of the numerous expedients developed from time immemorial by shrewd and calculating politicians. That second way constitutes a disastrous levy upon the populace as a whole, whatever precise means may be employed.

Simple repudiation of debt, as practiced in Russia a quarter-century ago, is the least favored of the alternatives to honest repayment, for the consequences are too terrible. Inflation of one sort or another, whether practiced through currency manipulation or through artificial price advances, is the favored means. But the Institute rightly observes that a solution of the debt problem by the artificial means of commodity price inflation either destroys or drastically reduces the savings of the people. Inflation, it is remarked, is probably the most unscientific, unjust and harmful tax levy that can be imposed by a government.

The public debt, in short, is paid in the sweat of every man's brow, whether honorable or dishonorable means of reduction or repayment are adopted. The proper approach to the problem is, therefore, one of stringent and rigorous control of the growth of public debt. For the imperative needs of war every requirement must be met unhesitatingly, but all the more emphatic, in our present circumstances, is the utmost economy in non-defense expenditures.

Editorial—

Mirror-Gazing

It was by no means wise for any associate or sycophant of the New Deal to accuse the American public, or any unofficial section of that public, of "smugness" or "complacency" in its attitude towards the deadly struggle in which the United States must seek to strike its foes upon so many, such widely separated, and such far distant fronts. Absolutely no epithet or characterization could have been more remote from actuality. There is, in truth, no scintilla of smugness or complacency in any quarter, unless it is within the leadership which has fallen back upon these terms as the easiest of responses to criticism. This is so plainly the case that when they are promiscuously applied from that quarter the candid observer not unnaturally concludes that those from whom they emanate have been looking at their own reflections. Mirror-gazing is, indeed, the only adequate explanation. In sober fact, leaving out of consideration political leadership and any other element in which there may be aspiration to turn either good or evil fortune to political account, the attitude of the general American public, as it contemplates the struggle, which did not begin at Pearl Harbor but acquired definition and certainty at that point, is one at once of deep determination to prevail and profound anxiety concerning the means and measures essential to victory. As such, it is not without precedent. Any patriotic American might echo at this time, and doubtless many do so without being aware of the close similarity, the words, in which Lord Derby, several times Prime Minister of England under Queen Victoria but at the moment Leader of Her Majesty's Loyal Opposition, defined his own attitude towards the Chinese war in which England was then engaged. To Lord Malmesbury, on May 6, 1857, the former wrote:—

> "But as matters now stand we are engaged, whether we will or no, in a struggle for our very existence in the Eastern Seas; and it is no time now to consider by whose fault we have been brought into a position in which we have no alternative but to maintain to the utmost the safety and the rights of our countrymen. Such a course of proceeding is entirely consistent with a deep sense of the reckless impolicy which has led to this state of affairs, and involved us in a war the more formidable because it is not with a Government, but with a nation, and that a nation unchecked by those habits of civilization which in most cases mitigate the horrors of modern warfare."

It is to be regretted that in 1942 warfare seems not to be mitigated anywhere, if it ever was, by "habits of civilization," but it is especially to be noted that, in the same letter, Lord Derby insisted that the English government, at that time led by Lord Palmerston, "ought not to have permitted" the steps which had eventuated in war:—

> "without the previous provision of an overwhelming naval and military force to compel submission to demands which they might think fit to make."

Such an attitude towards an existing war certainly was not complacent and it was not smug. It accepted the war as a condition to be met and to be overcome to the honor of the country, with the minimum impairment of its interests, but not without full acceptance of its burdens and sacrifices. Such today is the precise attitude of the American public, that is, of all of it which deserves or requires consideration. And that attitude is supplemented by an anxiety so profound that it has compelled questionings of the most searching, even the most disquieting import. All these questions seem to run directly to the quality and competence of the existing leadership, or in some cases to its ultimate purposes, and until they are satisfactorily answered, if they ever can be, the general anxiety cannot be removed.

Even before the general election of 1940, the bitterest of all sacrifices, and that infringing more than any other upon individual liberty, was accepted by an alarmed and patriotic people. Conscription was consented to and allowed to invade a million homes, forcibly removing from their firesides as many gallant sons and subjecting them to the rigors of camp life and military training; all aimless unless their lives were eventually to be staked in combat against foreign foes. It is now determined that the infringement upon personal freedom must go much farther and that other millions of homes must be similarly invaded, perhaps causing greater direct hardships. Billions of expenditure have been authorized, the sum already mounting to $142,000,000,000, and the ultimate total apparently receding upward as rapidly as it can possibly be approached by the legislature. Not one request of the Administration for authority to obtain or accumulate materials for warfare upon land or upon the seas has anywhere been resisted in public or at any time denied. "Congress," said Democratic Representative Alfred L. Bulwinkle, "has promptly and ungrudgingly voted every dollar requested to prosecute the war." This unlimited placing of funds earmarked for defense or for warfare at the Administration's disposal began almost two years ago. Yet when Pearl Harbor was actually attacked the nation was unready. Neither the Army nor the Navy, as represented at the scene of the attack, was alert. The chief commanders there, General Walter C. Short and Admiral Husband E. Kimmel, both personal selections preferred over officers of longer service by the Commander-in-Chief, were taken by surprise and crippling disaster ensued, disaster from which recovery has not yet been possible. Conflicting assertions as to the extent of this disaster are not especially reassuring to a public which knows that it has not as yet been fully informed by its official servants. That the Prime Minister of England, from whom first announcements of events intrinsically American frequently emanate, should, in a speech in Parliament, assess the injuries much more severely than they were subsequently estimated by the President, in a radio report to the people, only adds to a public sense of confusion and futility. Viewing the war and its vested leadership from this point, the American public cannot be complacent, it cannot be smug, it can only be profoundly anxious.

Such anxiety is by no means wholly sustained by considerations directly militaristic. If they extend themselves into other fields, where doubts seem to be warranted by circumstances and events, they are still reflected in the general attitude towards the war and in persistent questionings concerning efficiency in its conduct. Daniel R. McGehee, a Democrat, Representative in Congress from Mississippi, expressed the unrest of many citizens over Administration policies and personnel, existing in many States other than his own, when he said, in debate upon the floor last week:—

> "In this country there are too many socialistic, theoretical, and inexperienced persons in major and key positions controlling the destiny of this Nation, their ideas and past life being trained in socialistic reforms; and when men with a practical and successful background are placed in a position to aid us in this national emergency and crisis, they are thwarted and circumscribed by the powers of the inexperienced to the extent they are unable to carry on. The morale of the people of this country must be built up. . . . This cannot be done until there is a complete reversal in the manner we have started out to do things and the method in which they are to be done."
> —*Congressional Record, Feb. 24, 1942, p. 1639.*

Further, Mr. McGehee specified the Office of Civilian Defense, the National Labor Relations Board, and the Office of Price Administration, as illustrations of public agencies so conducted that public discontent with their operations is wholly warranted. And he added the following warning:—

> "There are many men and women in key positions in our defense program and in the service of our Government, holding key positions in our defense plants, that should be removed and a close watch placed over them. The general public is aware of this and this, too, is lessening their morale, because they are wondering when it is all over, will they take charge of our Government under some form of 'ism,' which is not Americanism. There is no question in the minds of the public but that this thought and determination is in their minds at present; . . ."

While the minds of sober citizens are thus disturbed and untoward events which could never have been authorized occur almost daily or seem to impend and threaten even the remote future, after peace shall have been regained, the public could scarcely have received any greater shock than was endured when, in a press conference held the day before it was published, the President foreshadowed a criticism against an alleged "Cliveden set" in America, next day to be exploited with elaboration in the country's chief Communist periodical. To say the least, the coincidence was startling.

Then happened the curious incident of Los Angeles. Invisible, perhaps non-existent, enemy planes were attacked by anti-aircraft guns, fragments of their falling missiles doing some damage, but no bombs dropping, no planes appearing, and the presence of any remaining considerably more than doubtful. Deviating strangely from their usual self-denying but self-protective ordinance of speechlessness, Secretaries Stimson and Knox, the President's chief subordinates in dealing with the Army and the Navy, ventured upon public explanations of the episode. Unfortunately, their utterances diametrically disagreed. Secretary Knox says nothing at all is known to have happened, except the shooting; Secretary Stimson says unidentified planes flew at rather low altitudes and may have been commercial planes "operated by enemy agents." "Our people," says Congressman Leland M. Ford, "ought to know whether this was a practice raid, whether it was a political raid, or what kind of a raid it was." In fact the public is left to speculate—and to worry.

They worry, moreover, about expenditures. Yet the *Evening Star,* Washington's oldest newspaper, and a very conservative one, says that hundreds of new employees, for whom no work at all has been found, are being placed upon departmental pay-rolls. They gather in Washington, are paid regularly, and required to report every day, but find nothing whatever to do. An editorial, published on Feb. 4, says:—

> "They report for duty at 8.00 A.M., read movie magazines, write personal letters, and exchange bits of gossip. At quitting time they go home, only to repeat the performance next day. . . . But of one thing there can be no doubt—the entire lopsided structure is going to come tumbling down unless something is done promptly to inject a semblance of rational direction into this chaos which has become the order of the day."

Walter Lippmann specifies some of the chief "bottlenecks" which he discovers led to unreadiness at and after Pearl Harbor, finds that reforms plainly required are contested and postponed, and calls for the resignation of Secretary Perkins and the strengthening in other respects of a Cabinet which he declares "is too weak to advise the President" or "to enforce policy upon the bureaucracy and the pressure groups." He traces responsibility directly to the White House and leaves it there, saying:—

> "The war cannot be conducted in this fashion—that is to say by an endless series of exposures, criticisms, and agitations to break one bottleneck after another. The bottleneck of all bottlenecks is in the White House itself—in the inertia and complacency of Mr. Roosevelt himself when it is a question of divesting himself of authority and of detaching himself from friends who are not equal to their task. . . . Mr. Roosevelt should cease to fight his delaying actions against reform and should reconstruct his Administration."

"Smug!" "Complacent!" It is all done with mirrors. Washington is the last and the poorest place on earth to learn the thoughts or feelings of the American people and, in that respect, the White House is the absolute spiritual center and the veritable quintessence of the worst that is Washington. Only those gazing persistently into mirrors in that rarified and detached atmosphere can think they see smugness, complacency, or confidence in the myriad faces of a vastly troubled American people.

The State Of Trade

Business activity is holding steady in most quarters, with the leading industries of course reflecting the steady expansion of the war production effort. The drastic changes in many quarters as a result of conversion from civilian to war production are taking heavy toll, as reflected in increased unemployment, but all this slack, all this maladjustment is expected to be amply taken care of before the year is out, officials claiming there will be 15,000,000 occupied in war production before the end of 1942, as against 5,000,000 in war work at the present time.

Donald Nelson's radio talk is expected to act as no little spur in stepping up production. This was the first of a weekly series of four broadcasts in which he is "assigning" to Americans their roles in the war effort. He called bluntly upon management and labor to stop "passing the buck and work as you've never worked before" to surpass the arms output of "the slaves of Germany and the slaves of Japan."

Actual spending for arms, not appropriations, must be more than doubled in the United States by mid-1943 if war production goals are to be reached, according to a survey released by the United Business Service early this week.

Current spending is four times larger than a year ago, but is still under $3,500,000,000 a month. This must be stepped up to about $3,500,000,000 by summer and to something over $5,000,000,000 a month by the middle of 1943, the survey states.

The total United States war program, including funds appropriated and requested has now reached the staggering sum of $140,000,000,000, of which $120,000,000,000 is yet to be expended, it is pointed out.

The implications of these figures are plain, the service states. More plants must be converted to war work, by government requisitioning if necessary, to speed up the outflow of armament materials, it contends.

Compilations of corporate earnings are being published showing substantial increases in aggregate net income for 1941, as compared with 1940. These compilations are pointed to as misleading, for they create the impression that the trend of profits is still upward, and that industry is in position to pay higher wages and higher income taxes.

The National City Bank's current monthly letter presents a compilation of earnings by quarterly periods for 200 large industrial corporations which gives a far truer picture of the trend of profits than do computations on an annual basis. These 200 companies reported peak earnings for recent years in the first quarter of 1941, when their profits totaled $383,000,000. Net income was somewhat smaller in the following two quarterly periods, and in the final quarter of last year they amounted to $367,000,000, the smallest total reported since the third quarter of 1940.

Higher wages and other expenses, price ceilings which narrow profit margins and special reserves made necessary by the war all contributed to this moderate downturn in corporate profits. Most important of all, however, has been the sharp increase in income and excess profits taxes. A further rise in the tax burden this year is assured, and such higher taxes will, almost certainly depress corporate profits well below the 1941 level. This in no small measure explains the failure of the securities markets to respond to the favorable reports on corporate earnings.

Net income of 825 leading manufacturing companies increased $295,000,000 to $1,539,000,000 in 1941, or 24%, but the increase in their net earnings tapered off to 16% in the last half year from 43% in the first half, National City Bank of New York says in its current monthly letter.

The major industries continue to show wide gains over last year's figures. Production of electricity in the United States in the week ended Saturday, Feb. 21, totaled 3,423,589,000 kilowatt hours, according to an announcement of the Edison Electric Institute.

This was an increase of 14.7% over the 2,985,585,000 kilowatt hours in the like week last year. In the preceding week the gain over the like 1941 week was 15%.

The latest week's total represented a more than usual increase of 1/10 of 1% over the 3,421,639,000 kilowatt hours for the week ended Feb. 14, this year.

Loading of revenue freight for the week ended Feb. 21, totaled 774,595 cars, according to reports filed by the railroads with the Association of American Railroads. This was a decrease of 8,104 cars from the preceding week this year, 96,072 cars more than the corresponding week in 1941 and 179,212 cars above the same period two years ago.

The tonnage of steel to be turned out this week by United States open-hearth, Bessemer and electric furnaces will be the largest for any week in the industry's history—1,651,100 tons. This will require use of 97.2% of capacity, the American Iron and Steel Institute estimated this week.

With operations at 96.3%, 1,635,800 tons of steel were produced last week. The previous record was 1,650,000 tons in the week of Oct. 27, 1941, when 99.9% of the then available facilities were operated. For the February week output totaled 1,614,200 tons and for the comparable 1941 week, 1,573,500 net tons.

Class 1 railroads had aggregate net income of $25,700,000 in January after interest and rentals, compared with $19,700,000 in the 1941 month, the Association of American Railroads estimated. Net operating income of the carriers was $68,966,000 for the month, against $62,017,000 a year ago, according to the A. A. R.

Gross revenues were $103,000,000 higher than in January, 1941, but less than $7,000,000 of the gain was carried down to net operating income, the association pointed out. The other $96,000,000 was absorbed by rises of 29.7% in operating expenses and 42.7% in taxes.

Department store sales on a country-wide basis were up 25% for the week ended Feb. 21, compared with the same week a year ago, the Federal Reserve System reports. Store sales were up 23% for the four week period ended Feb. 21, compared with the same period a year ago.

Department store sales in New York City in the week ended Feb. 21, were 36% larger than in the same week of last year, and in the four week's ended Feb. 21, sales of this group of stores were 21% above those of the same period last year, the New York Federal Reserve Bank reports.

28 Million Pay Auto Tax

It was indicated by Treasury officials on Feb. 27 that at least 28 million motorists have paid the $2.09 Federal automobile use tax. The voluntary payment method is regarded as "a great success" by the Treasury Department which, according to the Associated Press, had originally estimated that about 32,000,000 motorists were liable to the new tax, but figuring the probable number of cars which have been laid up by owners on account of tire priorities, officials said the percentage of collections so far is beyond their expectations. From the Associated Press (Washington advices) we also quote:

> When the tax law was enacted by Congress, the Treasury insisted it needed an army of collectors to force the motorists to pay, but Congress refused to appropriate money for this purpose, alloting only enough funds to enable the Postoffice Department to handle the sale of tax stamps on a "come and get it" basis. The $2.09 stamp is to be replaced on July 1 by a $5 stamp, good for 12 months.

Chicago Reserve Officers

Officers of the Federal Reserve Bank of Chicago who hold office for one year were re-elected at the annual directors' organization meeting, according to the Chicago "Journal of Commerce," which also reports that C. S. Young, the President, and H. P. Preston, First Vice-President, were elected last year for five-year terms.

Editorial—

Post Mortem

In 1941, in the United States, 101,500 human lives were destroyed by preventable accidents in the house, in the workshop, on the highways and other public places. In presenting these figures, the National Safety Council states that they are not final, but close enough to warrant the statement that 1941's death toll is already *worse than 1940's by 4,600 victims,* an increment of 5%. The increase came from traffic and occupational accidents. Approximately, 18,000 were killed at their work, up 6% over 1940. The traffic toll was 40,000, an all-time high, up 16% as against a travel increase of 11%.

"Increased activity in all fields," says "Public Safety," official organ of the Council, "was largely attributable to the ever-increasing tempo of national defense." This may be true; but figures from the same source prompt us to be wary of this conclusion. Consider the age-groups to which the death toll applies:

Children under 5,	7,180	deaths, an increase of	5%
Children 5 to 14,	7,100	deaths, an increase of	10%
Youths 15 to 24,	14,250	deaths, an increase of	12%
Adults 25 to 64,	45,350	deaths, an increase of	5%
Adults 65 or over,	27,650	deaths, a decrease of	1%
Total ----------	101,530	deaths, an increase of	5%

From this tabulation one may find that the actual *increase* of deaths in the first three groups is more than half the total increase in all groups. It seems scarcely likely that these three groups, if only because of their ages, can have been influenced to any great extent by the accelerated "tempo of national defense."

However, the fact that 5,500 (16%) more persons were killed in motor vehicle accidents clearly places on the *motor vehicle the major blame for the destruction of human lives,* and a still greater blame for the *increase* in destruction.

On this point light is thrown by a booklet called the "Wreckord" just published by the Travelers Insurance Company of Hartford. (It is free for the asking.) Bearing in mind that, in addition to the death-toll mentioned above, there were about 1,400,000 non-fatal traffic accidents, and some 110,000 permanent disabilities, the "Wreckord" finds that some of the increase in deaths and injuries can be laid at the door of drivers under 18 years of age, and older drivers with less than one year's experience at the wheel. Accidents in the 18 to 24 age-group increased somewhat out of proportion, also. The rate of gasoline consumption did not grow as much as that of accidents.

The March issue of the *Aetna-izer,* organ of the Aetna Life, Hartford, states that in 1941, the registration of both passenger cars and trucks in the United States had reached an all-time high—28,875,000 cars and 4,850,000 trucks. And the automobile industry had its second largest production year in 1941, 5,247,000 units. But of these, statisticians calculate, in a normal year, only 2,600,000 go to replace those which are scrapped. Some slight comfort may be derived from the fact that the pedestrian in 1941 behaved better than in 1940, deaths and injuries being actually less in number.

Official records from 48 States indicate that *"exceeding the speed limit"* accounted for almost 42% of the fatalities. (In no other recorded year has this factor loomed so big.) And *two-thirds* of the total deaths sprang from "some *reckless or illegal action* on the part of a *driver.*" Car condition, state of roads, and the weather furnish only a scant alibi: 90% of all vehicles involved in accidents were apparently in good mechanical condition, 82% of all fatal accidents occurred on dry roads, and 87% in clear weather.

Weighing all factors, above, the "Wreckord" concludes, and it seems to us rightly so, that the rational explanation of the motor vehicle's frightful record of slaughter and injury is *"drivers more careless and reckless than ever before."*

"The nation," it adds, "if it is to succeed in its victory program, simply cannot afford a continuation of this waste of life, of man-hours, of hospital space, of machinery and morale. . . . The record of death and injury is one that should leave every American with a sense of shame and should move every one of us to resolve that it shall never happen again."

Speaking at the Southern Safety Congress in New Orleans, a few days ago, J. W. Randall, Vice-President of the Travelers of Hartford, declared that "98% of all accidents are preventable," and that one of the most serious foes of war production was "waste—waste of man-hours and waste of equipment and property. It takes 20,000 man-hours to build a fighter plane, and 7,600 to build a tank. In 1941, over *1,500,000,000 man-hours were lost because of work accidents*—half of which were entirely avoidable."

Again, reports of the United States Bureau of Labor Statistics for 1940 show that 2,508 strikes involved 576,000 workers. The general impression exists that these strikes were the major factor in slackening the pace of defense industry. The fact is that these *strikes* caused a loss of 6,700,872 man-days of work—deplorable enough in all conscience. But this loss was *only one-fortieth of the man-days lost through accidents.*

Randall R. Howard, in the *Journal of American Insurance,* of Chicago, points impressively to a highly serious condition to be found on the farms of America, to which the patriotic duty has been assigned of increasing by at least 15% in 1942 the national production of dairy and poultry products, meats, and a few other concentrated foods. Faced with the greatest labor shortage in 17 years, because of the calls of the Army and the war industries, there is a shortage of new farm machinery, This will be aggravated by the curtailed steel allotments to the farm machinery makers. The high mechanization of the American farm, says the *Journal,* has made the job of the American farmer one of the "most hazardous of occupations—there is about twice as much danger of an accident in farm work as in an average steel mill or factory. During 1940, some 225,000 American farmers and farm workers were injured seriously in farm accidents, and 4,500 more were killed."

Horses are being displaced by tractors: these bring "new work advantages but new accident hazards." With the younger men called away, a large increase of fatal accidents occurred in 1941 to the older men. Deaths caused by farm machinery, were not quite as numerous as deaths caused by live stock—but non-fatal accidents by machinery were markedly higher than those caused by live stock, with the tractor the outstanding evil, and overturning the most deadly form of accident.

While manufacturers of farm machinery are not blameless in regard to some classes of accidents, in their own interest they seem anxious to remove avoidable risks and doubtless their efforts will meet a certain measure of success. But complacency must be stamped out of their contemplation of the situation. The farmer is perhaps his own worst enemy, since safety investigators agree that "one of the chief causes of preventable farm accidents is 'carelessness and thoughtlessness'." So here again on the farm as in the house, the shop, and especially on the highway, we are faced in gravely accentuated form with that "certain disregard for the sanctity of human life which is characteristic of American ways," to quote the Metropolitan Life, in its monumental analysis of mortality rates ("Twenty-Five Years of Health Progress").

Such, in brief form, is the lesson derived from the accident records of 1941. It is one which arouses our profound indignation, for "carelessness and recklessness" are preventable faults. Even the least travelled among us has seen evidences of them on all sides, and on all occasions. Rules and laws are constantly violated on the highways, within sight of the enforcing officers of the law.

Since a relative laxity in enforcement leads only to a graver condition, year after year, the public in its own defense must insist that an end be made to the daily slaughter of men, women, and children, to their life-long disablement or injury, and to the interruption of industrial production which arises when one out of every 14 persons in the United States suffers a disabling injury during the year.

According to "Public Safety," in 1941 the estimated economic loss from accidents, including wage losses, medical expense, the overhead cost of insurance, and property damage from motor vehicle accidents and fires, was $3,750,000,000. Let us hope that those who can view the suffering and loss of human life with callousness and inertia may be induced to stir a hand when they learn of the staggering economic consequences of such a waste as 3¾ billions per year, year after year.

As we go to press, the Greater New York Safety Council is in the midst of a five-day convention. Discussions by groups representative of industry, commerce, shipping, engineering, police and other elements are going on, in an intelligent, organized attempt to cope with the vast problem of accident prevention. From these deliberations, measured by past accomplishments, an even greater impetus will spring. For all those taking part will realize that, today, they are not only helping the cause of humanity but, to the greatest extent, doing their share in backing up the country's fighting strength.—*W. C. B.*

Increased Production Begun At FDR's Order

Directed by President Roosevelt to take every possible step to increase war production now, Donald M. Nelson, Chairman of the War Production Board, said on Feb. 28 that the WPB is undertaking a continuing national drive to keep stepping up production as the war goes on. Replying to a letter from the President, which said that "the months just ahead are the critical months of the war," Mr. Nelson stated that the campaign included plans for full 24-hour day operation of war production machinery seven days a week, recognition awards for outstanding accomplishments by management and labor and establishment of joint labor-management war plant committees to consider suggestions for expanding production.

The exchange of letters between the President and Mr. Nelson was made public by the White House, as follows:

The President's Letter

Dear Mr. Nelson:

The months just ahead are the critical months of the war. Victory depends in large measure on the increased war production we are able to get from our factories and arsenals in the spring and summer of 1942.

What has been done so far must be exceeded. This is total war. We are all under fire—soldiers and civilians alike. No one is a spectator, we are all belligerents. To win we must fight.

The urgency of today must be felt in every shop and factory producing war goods, in every home and on every farm. Then we shall achieve the spirit and cooperative action that carries a team to victory.

I therefore direct you to take every possible step to raise production now, to bring home to labor and management alike the supreme importance of war production this crucial spring.

FRANKLIN D. ROOVEVELT.

Mr. Nelson's Reply

My Dear Mr. President:

In response to your letter directing me to take every possible step to increase war production in the crucial months ahead, the War Production Board is undertaking the following:

A continuing national drive, designed not merely to increase production at once but to keep stepping it up further as the war continues.

The principal aims of this drive are to increase production immediately in plants which now have war contracts and to convert other plants to war production as speedily and as completely as possible.

This will be made effective in a great variety of ways, including:

1. Greater utilization of plants now producing war goods, aimed at bringing us as close as possible to the theoretical maximum of 168 hours work per week for every machine in those plants.
2. Recognition and awards for outstanding industrial accomplishment both by management and labor.
3. Establishment of a plan for joint labor-management war plant committees which will consider suggestions from all quarters for increasing production and which will help demonstrate the importance of our soldiers of production.

I have discussed this matter with officials of the War and Navy Departments and the Maritime Commission and have been assured of their hearty cooperation.

Monday night I shall start a series of weekly discussions of

House Group Shelves Jobless Aid Bill

The House Ways and Means Committee on Feb. 19 voted to shelve the Administration's bill providing $300,000,000 for unemployment compensation benefits to workers displaced by war-time conversion. Reporting the tabling of the bill on Feb. 19 the Associated Press said:

> Chairman Doughton said the committee's action seemed to mean that if there was going to be any kind of a bill somebody would have to start all over again.
>
> He declined to disclose how the members voted, but it was reported authoritatively that the vote was 16 to 8.

The House group concluded its public hearings on the legislation on Feb. 17, during which time considerable opposition had been voiced because of the proposed method of having the Social Security Board administer the plan. This, it was claimed by opponents, would lead to "federalization" of the State unemployment insurance systems.

President Roosevelt had asked Congress for the $300,000,000 appropriation on Jan. 20 and had told his Congressional leaders on Feb. 16 that speedy enactment was necessary because the situation would soon become acute.

Under the plan submitted by the President to Congress, displaced employees would receive in total weekly benefits approximately 60% of their average weekly wage, but in no event more than $24 a week for 26 weeks. The Federal Government would supplement the State unemployment benefits to this extent.

Chief opposition to the plan came from State officials and representatives of business organizations, while spokesmen for organized labor urged passage of the measure.

Mayor La Guardia of New York was heard by the Committee at its final hearing on Feb. 17, and according to the New York "Times" (Washington dispatch), he said that the measure was predicated on the unemployment set-up. These advices added: He predicted widespread unemployment after the war and suggested that Congress broaden the scope of the bill to provide for future, as well as current needs.

On Feb. 16, Governors of six States opposed the $300,000,000 program. According to the Associated Press, some of them said it would put a "premium on idleness," while others asserted it would impede the war effort and infringe States' rights. Said the Associated Press:

> They told the House Ways and Means Committee that even though the problem might be more acute in some States than others, all States should be able to increase their own unemployment compensation benefits without the aid of the Federal Government.

The Governors expressing opposition were Gov. Harold E. Stassen of Minnesota, Chairman of the National Conference of State Governors; Gov. Herbert O'Conor of Maryland, Gov. Henry F. Schricker of Indiana, Gov. J. Melville Broughton of North Carolina, Gov. Leverett Saltonstall of Massachusetts and Gov. Robert O. Blood of New Hampshire.

The President's request for the fund was reported in these columns Feb. 5, page 572.

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the part each one of us will play in this drive. I shall announce other details as rapidly as possible.

DONALD M. NELSON.

THE FINANCIAL SITUATION

(Continued from First Page)

as much as the President himself, and having carefully and dispassionately considered the subject in hand, finds himself in disagreement with what is being done or proposed. On the other hand, the citizen owes certain duties to his President, to his country, to himself in times such as these, duties which are laid upon him not so much, if at all, by law and regulation, as by considerations of loyalty and democratic responsibility.

"Sniping"

One of queries uppermost in the minds of many of us today concerns the nature, the extent and limitations of precisely these duties. They are, let it be carefully observed, duties, not merely rights or privileges. It is the duty of every man, of course, to refrain from mere "sniping" as the President expresses it, by which we mean that sort of ill-considered criticism which flows from mere ill-will, personal dislike, political grudge, or emotional reaction born of disagreement with or regret for past policies which have been so largely responsible for bringing the existing situation to pass. Past elections have repeatedly shown the Administration to have more friends and supporters than any other has ever had. They, however, have likewise shown that it had larger numbers of opponents than any other has ever had. No election results are necessary to demonstrate the depth and even violence of feeling which has long separated the two groups. At no point, perhaps, has feeling been more violent than where questions of foreign policy were concerned. The President has always had much to say about "unity" and the like, but it is unfortunately a fact that no one more than he has in recent years made anything approaching general national unity almost if not quite impossible of attainment. Animosities thus aroused render it exceedingly difficult for large numbers of American citizens to be wholly objective, but this is no time to permit anything but calm judgment to guide action.

So far at least as important questions are concerned, no one in a situation like this can be excused if he "plays politics"—that is to say, permits his actions to be governed by considerations of personal or group political advantage rather than the general public good. Such a prohibition should cover "clever" maneuvering of the sort often engaged in as well as obstructionist tactics, and, of course, the Administration as well as others. Candid, forthright dealing with public questions is now an essential. By the same token every conscientious man and woman will scrupulously avoid exploiting the existing situation for the sake of undue or unreasonable personal economic or other non-political advantage. No one, we hardly need add, is under any obligation, as sometimes appears to be supposed, to bankrupt himself or his business or ordinarily to refrain from accepting normal payment for services duly rendered. There is no call for self-inflicted punishment for its own sake. In the business world enlightened self interest still has its legitimate place. Predatory behavior even within the law, whether by labor or capital, is, however, at present without excuse—if it is ever to be placed in any other category.

Winning the War

The Government and the country has every reason to expect each of us to support the effort to win the war. Our own private opinions as to whether war might have been averted in no way relieve any of us of responsibility as to its effective prosecution now that, right or wrong, we as a people are actually engaged in a bitter and hard struggle with powerful foes. Such responsiblity naturally goes beyond refraining from sabotage either in physical sense or in ways more subtle but possibly more effective. It includes, for one thing, willingness to suspend judgment in many instances of organizations, procedures and techniques, once they are officially placed in effect, until results can be reasonably appraised—that is in cases where one finds himself doubtful of their wisdom. No general policy and no program of action can hope to be in accord with the judgment of everybody. Nothing is to be gained by habitual criticism of everything and everybody. The Administration may reasonably demand freedom from this type of "sniping."

But a number of other and somewhat more positive duties and responsibilities rest upon the citizen of a democracy in times of war. He must not in any circumstance permit himself to become a slavish robot echoing and applauding every word that proceeds from the mouth of authority and accepting each decision and every act of his government as if they were ordained by commandments written upon stone from Mt. Sinai, he himself either having no mind of his own or pretending to have none. No one owes it to his country, to himself, or to his Government to be a half-wit or to act if he were, and his Government has no right to ask such conduct of the people. It may, for example, be true that the story of Pearl Harbor has been told as fully as it is wise to tell it at present, but pretense that it has all been told can serve no good purpose, and so long as the full story is not told and so long as the authorities try to give the impression that it has been, just so long will the public continue to guess about the untold portion—and properly so. The people are right, indeed it is their duty to ask questions and demand answers when such occurrences as the recent "air raid" or "false alarm" (whichever it was) on the West Coast are dealt with (either at the scene or in the reporting of it, or both) in such bizarre fashion. The Government must expect and should welcome such demands—reflecting as they do an attitude the opposite of the complacency concerning which there has been so much official complaint.

Alert Surveillance

It is the duty of the public in this or any other democracy to maintain at all times an alert and critical surveillance over the conduct of the war in all its phases, including production and procurement. There is no other protection against all the infirmities which so easily beset such a titanic program. An indifference or a complacency which prevented an effective surveillance cost Great Britain many precious months until the Stukas blasted Chamberlain from power, and the beguilement of Churchillian oratory, by impeding it, has more recently been exceedingly expensive. We can afford nothing of the sort here, and the best protection against it available under our form of government is full and free discussion and criticism, particularly during the election campaigns now approaching. The only obligation that either politician or private citizen need feel in the matter is that he keep these discussions intelligent, constructive and free from picayunishness. As with discussion so with the voting too.

So much for matters with a direct bearing upon the conduct of the war. It should be plain enough that there is a wide range of other subjects upon which the people must pass from time to time. One of these, obviously, is what is known as our "war aims," but which may be better described as our peace aims. Included, of course, is the question of the time and the terms upon which we should be willing to make peace. In many quarters it appears to be supposed that any discussion of this subject at present, except to demand the utter defeat, not to say the destruction of our enemies, borders on treason. Yet this can scarcely be the case. We ourselves believe that the time has not yet arrived and that conditions suitable do not now exist even for informal peace talks. At the same time we must all recognize that peace terms are really the prerogative of the people, and no stain upon the patriotism of any man is established merely because he holds opinions upon such questions which are different from those of the Government or of the majority of the public. At any rate, a number of our leaders are well known to harbor grandiose ideas about the post-war world and, particularly, about our part in it. They are determined to persuade the American people to adopt them as their own. They are even now preaching them in and out of season. There is small likelihood that they will permit the electorate to forget these ideas this autumn. Obviously no possible consideration of patriotism can impose on any citizen any obligation to do other than make up his own mind here—or any limitation upon his expression of his views.

This obviously leaves all those questions of domestic policy—subsidies, restrictions, favoritism, and the rest—which together constitute the New Deal. It would be much better if the politicians and reformers were to place their ambitions upon the shelf for the duration—better still if such of these measures as definitely hamper the war effort were suspended or abandoned—but if such is not to be then, obviously, there can and there ought to be no cessation of opposition to such injurious programs if and when, proposed.

It is ardently to be hoped that no one will enter the forthcoming elections under delusions about all these matters, and most of all that no effort will be made to silence legitimate criticism or free discussion with charges of disloyalty.

FHLB Sells Debentures

The Federal Home Loan Banks sold on Feb. 26 a $26,000,000 issue of ¾% consolidated debentures, it was announced by Everett Smith, New York financial representative. The debentures were offered earlier in the day (Feb. 26) and it is indicated were several times oversubscribed. The ¾% debentures, which sold at a slight premium above par, are priced to yield about 0.65%. They are dated March 5, 1942, and are due Sept. 1, 1942. The proceeds from the sale will be used to provide the 12 Federal Home Loan Banks with "new money" for additional loans to their member institutions. At the close of business Mar. 5, 1942, the banks will have a total of $101,500,000 debentures outstanding.

This is the first offering by the FHLB since November, 1940, when $52,000,000 of ¾% debentures, due April, 1942, and $15,000,000 of ½% debentures, due April, 1941, were sold (referred to in these columns Nov. 23, 1940, page 3017).

Senate Prohibits Sale of Govt.-Owned Crops Below Parity Despite Presidential Opposition

Disregarding President Roosevelt's objections, the Senate on Feb. 25 by a vote of 50 to 23 passed a bill prohibiting the Commodity Credit Corporation from selling Government holdings of agricultural commodities at less than parity price levels. The President, in a letter Feb. 24 to Vice-President Wallace, who is President of the Senate, said that he believes that enactment of the legislation would result in "irreparable damage to the war effort and to the farmers of this country." He declared that now "when the very existence of our nation as a free people is at stake, we cannot afford to indulge in the promotion of selfish interests such as are involved in this legislation." The President further observed that "the good will of the consuming public should not be shattered by grasping for a few extra dollars in the name of farmers."

The legislation, sponsored by Senators Bankhead (Dem., Ala.), and Gillette (Dem., Iowa), and Thomas (Dem., Okla.), prevents the sale of surplus stocks of corn, wheat and other products which the CCC has acquired over the past four years as its price-supporting policy. The President contends that when these stocks were withdrawn from the market "it was generally understood that they would be available for use in time of emergency." He added that "that emergency is now upon us and the conversion of these reserve stocks . . . is urgently needed," especially in connection with grain for livestock products.

The Senate farm bloc, however, was successful in what it claims is an attempt to assure the farmer of a just price. Senator Bankhead, leading sponsor of the legislation, said that its prime purpose was to prevent the "use of Government-owned commodities to break the market and hold prices below parity."

Secretary of Agriculture Wickard had previously expressed opposition to the legislation, saying that it might add $1,000,000,000 a year to consumers' food costs.

The bill now goes to the House, where even if it receives approval the President is likely to veto it.

The President's views on the subject were expressed in the following letter to Vice-President Wallace:

My dear Mr. President:

My attention has been called to the introduction in Congress of bills (S. 2255 and H. R. 6564) which, if enacted, would prevent the Commodity Credit Corporation from disposing of its holdings of agricultural commodities below parity prices.

I believe that irreparable damage to the war effort and to the farmers of this country would result from the enactment of this legislation. In this hour, when the very existence of our nation as a free people is at stake, we cannot afford to indulge in the promotion of selfish interests such as are involved in this legislation.

Food production is playing a vital part in the conduct of the war. Not only this country, but all of the United Nations are relying upon abundant production of food by the farmers of America. The two classes of products, of which we have the greatest need for increased production, are livestock products and oil-producing crops. Expansion in the production of both of these classes of products would be impeded by the enactment of legislation restricting the sale or disposition of the corn, wheat and other products held by the CCC.

During the last four years the CCC, through its price-supporting activities, authorized by the agricultural adjustment Act of 1938, has acquired large stocks of corn and wheat. These stocks were withdrawn and withheld from the markets when excessive supplies would otherwise have seriously reduced prices. At the time they were withdrawn from the market it was generally understood that they would be available for use in time of emergency. That emergency is now upon us and the conversion of these reserve stocks of grain into livestock products is urgently needed. This conversion can be brought about only through the maintenance of a favorable ratio between the price of feed and the price of livestock products. Such a ratio exists at the present time with respect to most livestock products and production of these products is being expanded rapidly. This expansion, however, would be seriously impeded by an increase of 15% in the cost of feed to dairy, poultry and livestock producers which probably would follow the enactment of this legislation. The curtailment of the production of livestock products would, of course, be followed by higher prices for livestock products and substantial increase in the cost of living, which, in turn, would lead to more inflation and demands for higher wages.

On the other hand, higher prices for corn in the near future would tend to encourage farmers to plant more corn and thus increase the difficulties of attaining the production goals that have been established of soy beans, an oil-bearing crop which is urgently needed. This legislation would also increase the price at which peanut seed, now being acquired by the CCC, could be furnished to growers and thus discourage the planting of this important oil-bearing crop.

Thus the restrictions proposed in this legislation would tend to prevent the liquidation of the reserve stocks of grain at a time when they are needed, and also prevent the increased production of the products which are most needed in the war effort. Clearly this legislation cannot be defended as a war measure and neither can it be defended on the ground that it is necessary in order to give farmers parity. In determining whether farmers are receiving parity, Government payments, as well as market prices, must be taken into consideration and none of the major commodities, corn, wheat, and cotton are being sold at prices which, when added to the conservation and parity payments, would result in a return below parity.

As a matter of fact, in the case of cotton, production of which was relatively low in 1941, no sales are being made below parity price excluding payments. The only immediate effect of this legislation, with respect to cotton, therefore, would be to stop the special sales that are being made in order to stimulate the use of cotton in the manufacture of insulation and in the manufacture of cotton bagging which can be sold at a low cost to cotton growers.

In addition to these and many other considerations, it should be kept in mind that substantial assistance, very properly, has been extended to farmers in the past and further assistance probably will be necessary in the future. The good will of the consuming public should not be shattered by grasping for a few extra dollars in the name of farmers. I hope these matters will be weighed very carefully by the Congress.

Very sincerely yours,
FRANKLIN D. ROOSEVELT.

Before voting for the Gillette-Bankhead bill on Feb. 25 the Senate, said Washington advices to the New York "Journal of Commerce," voted 43 to 24 against an amendment proposed by Sen. Prentiss Brown (Dem., Mich.), which would have permitted CCC to sell at prices as low as the difference between parity prices and parity and conservation payments to farmers made under the Agricultural Adjustment Act of 1938. From the "Journal of Commerce" advices indicated we also quote:

President Roosevelt himself supported this new concept of considering AAA payments in estimating parity, when he said, in this morning's message:

In determining whether farmers are receiving parity, Government payments as well as market prices must be taken into consideration, and none of the major commodities—corn, wheat and cotton—are being sold at prices which, when added to conservation and parity payments, would result in a return below parity.

Farm Senators, however, would not accept this philosophy, contending that AAA payments have nothing to do with the market, and are made principally for soil conservation, practices performed by farmers and for crops grown. Senator Thomas (Dem., Okla.) said that the Brown amendment would permit the CCC to "dump commodities and drive prices down." He emphasized that the total of parity and conservation payments for 1941 was $612,000,000, and that under the Brown amendment that commodity market could be driven far down if the CCC could sell at the difference between an aggregate of parity prices and this sum.

* * *

Defending the Gillette-Bankhead bill, Senator Gillette said that in its report for 1941, Rudolph Evans, Chief of the Agricultural Adjustment Administration, the appointed agent of the President in administering the 1938 Agricultural Adjustment Act, said that "parity remains the goal," and that "to the extent that food prices represent parity prices to the farmer, these increases are justified."

Mr. Gillette said that prices which the farmers receive represent only a small part of consumer prices, and that attempts to keep farm prices down do not result in lowering retail prices, but merely permit a wider disparity between the farm price and the retail price.

"During the first half of 1941," he said, "farmers received only a little over 1 cent from bread retailed at 8 cents a loaf."

Mr. Gillette said that the Government has done more to depress the market lately than is ordinarily supposed.

"The Surplus Marketing Administration," he said, "has put 60,000,000 bushels of corn on the market since Jan. 1. Speculators used this corn to drive down the price 7 cents per bushel. This is the sort of operation we are asking Congress to prevent."

Leaves OCD For Army

Director James M. Landis of the Office of Civilian Defense announced that he was accepting with regret the resignation of T. Semmes Walmsley. Mr. Walmsley has been ordered to active duty with the Army. He was recently transferred from the position of Chief Inspector General to Consultant to the Director.

Economic Measures To Win War Proposed By Nat'l Committee To Keep Prices Down

Economic measures considered necessary to win the war are proposed by the Advisory Council of the National Committee to Keep Prices Down in a "statement of principles" made public by the Committee. The advisory group of the Committee went on record as against a rise in prices, hoarding, and wage increases. The adoption of compulsory saving also was suggested.

The Council's "statement of principles" is as follows:

1. The first consideration is that at all costs the war must be won. The war can be won only with physical materials and men.

2. For the necessary materials we can look to two main sources: first, harder and longer work; second, a drastic cut in the consumption of goods by all classes in the community.

3. While the fundamental need is for materials to equip the men, we live in a money economy and must use monetary means to accomplish the great change-over in our operations. The more civilian consumption is curtailed, in order to permit transfer of funds to the Government for the purchase of materials of war, the sooner will the change-over be effected and the earlier and more completely will we be able to equip our soldiers.

To achieve these conditions, the Committee believes that it is necessary:

1. To prevent any substantial rise in prices.

2. To increase taxes enough to pay, out of current Federal receipts, a major part of the war expenditures; and to divert to military uses a large part of the funds that might otherwise be spent on consumers' goods.

3. To obtain whatever additional funds are necessary by borrowing current savings, i. e., without increasing bank credit or drawing on old savings or liquidating existing investments.

4. To avoid future increases in wages, claimed to be necessary to cover rising costs of living or taxes. The reason for preventing such increases is that they would hamper the change-over from civilian to military production and start a rising spiral of commodity prices.

5. To impose a substantial amount of compulsory saving, or postponement of consumption of commodities. This can be done by requiring that all payments of wages and other contractual income be made partly in non-interest-bearing scrip (obtainable from the Treasury for cash) good for the purchase of Government bonds, savings stamps, additional social insurance, new private insurance, new annuities, and any other type of future income. The self-employed should be required to make corresponding purchases out of their net income.

6. To oppose all efforts to use the present emergency as a means of obtaining advantages for certain groups in the country at the expense of the populace at large.

7. To oppose the hoarding of commodities by certain consumers who selfishly seek to escape sacrifices that all loyal citizens should be willing to make to the common cause.

8. To realize that the Nation is engaged in a life-and-death struggle to preserve its liberties. Victory can be won most quickly, and at least cost in money and human welfare, if every citizen thinks of himself as a soldier on the home front, ready to bear his full share in the hard work and heavy sacrifices that are imperative.

The National Committee to Keep Prices Down is a non-profit group whose members are manufacturers, wholesalers and retailers in all parts of the United States pledged to do their utmost to keep prices down as a means of helping prevent inflation.

Serving on the Advisory Council are:

Dr. Wesley C. Mitchell, Professor of Economics at Columbia University, and Director of Research of the National Bureau of Economic Research.

Dr. Frank D. Graham, Professor of Economics at Princeton University.

Dr. Willford I. King, Professor of Economics at New York University.

Dr. Ray B. Westerfield, Professor of Economics at Yale University.

Julian Goldman, President of the Goldman Stores Corp., New York, is National Chairman of the Committee.

Paddock Named President Of Boston Reserve Bank

The appointment of William W. Paddock as President of the Federal Reserve Bank of Boston was announced on Feb. 27 by the directors of the Bank. Mr. Paddock will succeed Roy A. Young, whose resignation as President of the Reserve Bank, effective April 2 was made known on Feb. 26. Mr. Young resigns to take the Presidency of the Merchants National Bank of Boston, to which post he was elected Feb. 26.

Mr. Paddock, who will serve the remainder of Mr. Young's term in the Reserve Bank, which runs until March 1, 1946, has been connected with the Boston Reserve Bank since 1920, and also served on the Federal Reserve Board. On Feb. 27 the directors of the Federal Reserve Banks of Boston and New York reelected Allan Sproul, President of the New York Bank, to represent the Federal Reserve Banks on the Federal Open Market Committee for the year beginning March 1.

At the same time Mr. Paddock was elected an alternate member of the committee for the same period.

In making known the resignation of Mr. Young, Albert M. Creighton, Chairman of the Board of Directors of the Federal Reserve Bank of Boston issued the following statement, according to the Boston "Herald":

The Board of Directors of the Federal Reserve Bank of Boston announces the resignation of Roy A. Young as President of the bank. Mr. Young has been the chief executive of the bank since 1930, having for three years before that been the Governor of the Federal Reserve Board, and for several years prior thereto the Governor of the Federal Reserve Bank of Minneapolis.

The record of his service to the reserve system before coming to Boston has been well supplemented by years of devotion to the business and financial welfare of New England, and his resignation as President of the Boston Reserve Bank is accepted with extreme regret by the directors at the termination of his connection with the bank and with best wishes for his continued success."

Krafft On War Labor Board

Fred A. Krafft, director of industrial relations of the American Viscose Corp. has been appointed as associate member of the War Labor Board, it was announced on Feb. 20. Prior to this appointment, Mr. Krafft served as standing consultant on industrial relations for the Office of Production Management.

Growing Public Debt Viewed As Problem Of Utmost Gravity By Dean Madden

The rapidly growing public debt constitutes a serious problem not only because of its size but also because a great portion of the proceeds of the debts contracted in recent years and to be incurred in the future have and will be employed for purposes which may be termed nonproductive, according to a bulletin entitled "Some Aspects of the Mounting Public Debt," issued on Feb. 24 by Dean John T. Madden, Director of the Institute of International Finance of New York University.

The Bulletin points out that "as a result of the world-wide depression, the preparations for war and actual warfare, the public debt of practically all countries has shown a tremendous increase during the past ten years." It adds that "according to the President's Budget Message to Congress on Jan. 7, 1942, the Federal debt may amount to 110 billion doliars on June 30, 1943. It is, therefore, no wonder" it is stated "that the question is often raised as to what the economic consequences of this growing debt will be."

The Bulletin observes:

> Public debt may consist of internal and external obligations. An internal debt creates merely the problem of raising the required amount of debt service in national currency, while an external debt in addition imposes on the debtor government the task of transferring the debt service into the currencies of the foreign creditors. Internal debt service does not reduce the quantity of commodities available for domestic consumption; it merely shifts the ability of obtaining goods and services from the taxpayer to the bondholders. On the other hand, an external debt necessitates the utilization of part of the national production for making payments abroad and thereby lowers the volume of goods available for consumption at home. The debt of the United States consits exclusively of internal dollar obligations. If the Government debt were owned by the same people who pay the taxes, the debt-service disbursements would be of little economic consequence. The problem arises out of the fact that a considerable portion of the debt is held by financial institutions whereas the bulk of the taxes is paid by people who do not hold any Government securities or only in very small amounts. Large debt-service payments, therefore, are in essence a means of redistributing the national income.

It is noted that "in contrast to private debts, public debts as a rule do not have to be reduced or repaid." During the post-war period the United States alone, it is noted "drastically reduced its debt by redemptions, while Russia repudiated her debt and several European nations liquidated the greater part of their debt through inflation. Hence an internal public debt involves only the problem of interest payments which constitute a more or less permanent burden on the population." The bulletin goes on to say in part:

> The burden of interest payments depends on the size of the debt, the rate of interest, and the national income. The rate of interest has decreased and at the present time a material increase in the cost of money to the Government in the form of higher interest rates canont be foreseen. Low money rates prevailing during a long period constitute in essence an invisible tax on all those who derive an income from fixed income-yielding securities. The beneficiaries are the debtors, including the Federal Government, the largest single debtor. Whereas the last war was financed by the United States at interest rates between 4¼ and 4¾%, it appears that the United States will be able to finance the present war at 2½%. The United States Savings Bonds, which yield 2.9% per annum when held to maturity, are available only to individuals and in limited amounts. Furthermore, all United States obligations issued since March 1, 1941, are subject to the Federal income tax. The decline in interest rates is responsible for the fact that interest charges did not keep pace with the increase in the national debt. Although the gross public debt of the United States at the end of June, 1941, was 101.5% larger than at the end of June, 1920, interest payments in the last fiscal year were only 8.86% larger than in the fiscal year ended June 30, 1920.
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> According to the President's 1942 Budget Message, the annual interest payments will amount to 2.5 billion dollars when the Federal debt reaches the sum of 110 billion dollars. Should the national income continue at about 100 billion dollars, this interest charge would not constitute a serious problem for the United States nor a crushing burden on tax payers.
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> It has often been contended that if the debt should mount rapidly Congress might attempt to lighten the burden through artificial means. The most common opinion found is that the United States Government may further devalue the dollar and apply the gold revaluation profit toward reduction of the public debt. Such a measure would lead to an increased inflow of gold, a commodity of which the United States possesses much more than it needs. Even the present holdings of gold in the United States constitute a serious and perplexing problem for the monetary authorities. In addition a further increase in the price of gold would tend to increase the production of gold thus causing a renewed flow of the metal to this country. The inflow of gold, unless sterilized, would result in a further growth of bank deposits.
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> The large volume of deposits, unless accompanied by a corresponding increase in costs of production and in commodity prices, will make credit control a still more difficult problem.
>
> Another aspect of the debt problem is the apprehension that currency depreciation may be resorted to with the view of influencing the movement of commodity prices. Past experience has shown that a country, like the United States, which is to a large extent economically self-sufficient can but little influence the price movement through currency depreciation. The danger of a further devaluation of the dollar will arise only if after the war prices in the United States should decline sharply while prices in other countries are maintained at a high level. Such a development, however, cannot be foreseen at the present time. While commodity price inflation caused by artificial means solves the debt problem, it at the same time either destroys or drastically reduces the savings of the people. Inflation is probably the most unscientific, unjust, and harmful tax levy that can be imposed by a government.
>
> Anxiety has also been voiced that if the debt were to reach an amount at which the burden of interest payments would become unbearable, the debt might be repudiated. Repudiation of debt has occurred in modern times only in the Soviet Union where the entire economic system was changed. Repudiation of the public debt, therefore, would definitely signify the end of the system of private enterprise and the adoption of some other system probably similar to that introduced in Russia during the early days of the Soviet Revolution. It is of interest to note that even the Soviet Government has accumulated a large debt and is regularly paying interest on its obligations.

Power To War Dept. To Define Military Areas

President Roosevelt, in an order issued on Feb. 20, authorized the Secretary of War to designate military areas "from which any or all persons may be excluded." The President's order said that "successful prosecution of the war requires every possible protection against espionage and against sabotage to national defense." The widest powers are given to the Secretary of War and to the military commanders to enforce compliance with the restrictions applicable to each military area. The order is said to affect primarily Japanese residents on the West Coast. Attorney General Biddle said the order was issued at the request of Secretary of War Stimson after joint conferences between the War and Justice Departments. The following is the text of the order, according to Associated Press advices in the New York "Times:"

> Whereas the successful prosecution of the war requires every possible protection against espionage and against sabotage to national-defense material, national-defense premises, and national-defense utilities as defined in Section 4, Act of April 20, 1918, 40 Stat. 533, as amended by the Act of November 30, 1940, 54 Stat. 1220, and the Act of Aug. 21, 1941, 55 Stat. 655 (U. S. C., Title 50, Sec. 104):
>
> Now, therefore, by virtue of the authority vested in me as President of the United States, and Commander-in-Chief of the Army and Navy, I hereby authorize and direct the Secretary of War, and the military commanders whom he may from time to time designate, whenever he or any designated commander deems such action necessary or desirable, to prescribe military areas in such places and of such extent as he or the appropriate military commander may determine, from which any or all persons may be excluded, and with respect to which, the right of any person to enter, remain in, or leave shall be subject to whatever restrictions the Secretary of War or the appropriate military commander may impose in his discretion.
>
> The Secretary of War is hereby authorized to provide for residents of any such area who are excluded therefrom, such transportation, food, shelter, and other accommodations as may be necessary, in the judgment of the Secretary of War or the said military commander, and until other arrangements are made, to accomplish the purpose of this order.
>
> The designation of military areas in any region or locality shall supersede designations of prohibited and restricted areas by the Attorney General under the Proclamations of Dec. 7 and 8, 1941, and shall supersede the responsibility and authority of the Attorney General under the said proclamations in respect of such prohibited and restricted areas.
>
> I hereby further authorize and direct the Secretary of War and the said military commanders to take such other steps as he or the appropriate military commander may deem advisable to enforce compliance with the restrictions applicable to each military area hereinabove authorized to be designated, including the use of Federal troops and other Federal agencies, with authority to accept assistance of State and local agencies.
>
> I hereby further authorize and direct all executive departments, independent establishments and other Federal agencies, to assist the Secretary of War or the said military commanders in carrying out this Executive order, including the furnishing of medical aid, hospitalization, food, clothing, transportation, use of land, shelter, and other supplies, equipment, utilities, facilities and services.
>
> This order shall not be construed as modifying or limiting in any way the authority heretofore granted under Executive order No. 8972, dated Dec. 12 1941, nor shall it be construed as limiting or modifying the duty and responsibility of the Federal Bureau of Investigation, with respect to the investigation of alleged acts of sabotage or the duty and responsibility of the Attorney General and the Department of Justice under the proclamations of Dec. 7 and 8, 1941, prescribing regulations for the conduct and control of alien enemies, except as such duty and responsibility is superseded by the designation of military areas hereunder.
>
> FRANKLIN D. ROOSEVELT.

Era Of Hemisphere Understanding Hailed

Sumner Welles, Under-Secretary of State, in his first talk since returning from the Rio de Janeiro Conference of Foreign Ministers, declared that "there lives today throughout the length and breadth of this hemisphere a realization of community of interest, a recognition of American interdependence, which will prove to be the salvation of the New World, and which renders full assurance that the liberties and the interdependence of the free peoples of the Americas will be maintained against all hazards and against all odds." Speaking at a dinner tendered here by the Cuban Chamber of Commerce held Feb. 16 at the Waldorf-Astoria in New York City, Mr. Welles pointed out that the "bedrock of this new epoch of inter-American understanding" is based on "the recognition in fact, as well as in word, that every one of the 21 American republics is the sovereign equal of the others." He continued:

> That implies that interference by any one of them in the internal affairs of the other is inconceivable. Destroy or change that foundation and the inter-American federation which now exists will crash into ruins.

Mr. Welles predicted that Chile and Argentina would soon join the other 19 republics in breaking off diplomatic relations with the Axis Powers.

Reviewing the situation with regard to Latin-American relations as it existed a decade ago, Under-Secretary Welles said:

> How different would be our situation today if on our southern border there lay a Republic of Mexico filled with resentment and antagonism against the United States, instead of a truly and cooperative and friendly Mexican people seeking the same objectives our ours, guided by the same policies, and inspired by the same motives, in their determination to safeguard their independence and the security of the hemisphere, as those which we ourselves possess.
>
> Or, if in those republics more nearly adjacent to the Panama Canal there still burned a flaming hostility toward our Government because of acts of unjustifiable and unjustified intervention and of military accupation; or if the great republics to the South were still deeply suspicious of our ultimate aims and outraged because of our unwillingness to concede their sovereign equality.

Mr. Welles also took occasion to criticize certain groups of "alleged liberals" in this country who have been proposing that the Government interfere in the domestic affairs of the other American republics. He said that their proposals amount to the United States picking "puppet governments"—a policy identical with that which has been pursued by Hitler during the last five years. Warning that such a policy would be disastrous, Mr. Welles concluded:

> Of one thing I am everlastingly sure, and that is, if the Government of the United States ever again undertakes within the New World a policy which constitutes interference, direct or indirect, in the domestic political concerns of our neighbors, the day when that policy is undertaken marks the end of all friendship and understanding between the American people.
>
> It would signalize the termination of the new epoch which commenced at Rio de Janeiro. It would mark the collapse of the finest and most practical form of international cooperation—the system of the Western Hemisphere—which in my judgment modern civilization has yet produced.

The Rio de Janeiro conference of Foreign Ministers in January was referred to in these columns Feb. 5, page 584.

President Transfers Maritime Functions

President Roosevelt, in an Executive Order designed to facilitate "the intensive wartime development of the merchant marine," on March 2 transferred the functions of the Bureau of Marine Inspection and Navigation from the Department of Commerce to the United States Coast Guard and the Bureau of Customs, and also transferred the training functions of the Maritime Commission to the Coast Guard.

Regarding the order, the Associated Press reports:

> Functions of the Bureau of Marine Inspection and Navigation transferred to the Coast Guard include the safety inspections which every vessel of the merchant marine undergoes periodically, as well as the responsibility for all marine casualty investigations.
>
> Also transferred are the duties of licensing of officers and certification of seamen. This work will be coordinated with the marine training program.
>
> The Coast Guard also takes over direction of five State nautical schools in California, New York, Massachusetts, Maine and Pennsylvania. These schools receive Federal grants.
>
> The functions of shipping commissioners, including the supervision of the signing on and the discharging of crews also were transferred to the Coast Guard, along with the welfare of merchant seamen.
>
> Duties relating to entrance and clearance, registering and licensing, and measurement of vessels and administration of tonnage duties were given the Bureau of Customs. This involves largely the transfer of legal authority only, as the field forces of the Customs Bureau have always performed these duties.

New Tax Program Presented To House By Morgenthau—To Yield Seven Billions

Following the completion a week ago of extended conferences which had been held in Washington between Treasury and tax experts, incident to the proposed huge revenue raising program, Secretary of the Treasury Morgenthau appeared before the House Ways and Means Committee on March 3 and presented to the Committee the Administration's program for new taxation to finance the war. In indicating that the goal sought is over $9,000,000,000, Secretary Morgenthau in his statement laid before the Committee, said:

> The President's budget message in January called for the raising of $7,000,000,000 in new revenue from taxes, together with an additional $2,000,000,000 to be obtained from the social security program. The unprecedented sum of $39,800,000,000 will have to be borrowed in the coming fiscal year, even if the new Revenue Act fulfills the President's hopes to the last dollar. I should like to urge, therefore, the adoption and attainment of the goal the President has set, not as the maximum but as the very least that the American people can afford to provide at this critical time.

Mr. Morgenthau recommended that "the individual income tax be changed to yield approximately $3,000,000,000, or about 60% more revenue than will be yielded under the present law. Mr. Morgenthau went on to say:

> In recommending this amount I have had in mind the fact that the great bulk of tax increases under the social security changes will also fall on individual incomes. In accordance with the President's views, I feel that the social security program should be expanded both as to coverage and as to protection, and that taxes for this purpose should be increased by approximately $2,000,000,000 a year. I am not making any recommendations with regard to social security taxation or benefits in connection with this bill, but changes of the magnitude indicated should be kept in mind in planning the tax program.
>
> As for the individual income taxes themselves, I am suggesting a substantial increase in the income surtax rates throughout the scale. I should like to give you a few examples to show the effect of these increases on typical incomes.
>
> A single person with no dependents, with a net income of $3,000, pays $221 tax under the present law; he would pay $470 under the suggested schedule. A married person with two dependents, and with a net income of $3,000, pays $58 under the present law; he would pay $118 under the suggested schedule.
>
> A single person with no dependents and with a net income of $10,000 pays $1,493 under the present law; the suggested schedule would call for payment of $2,720. A married person with two dependents and with net income of $10,000 pays $1,117 under the present law and would pay $2,143 under the proposed schedule.
>
> * * *
>
> You will notice that the proposed schedules involve no further lowering of the personal exemptions which now begin at an income of $750 a year for a single person and $1,500 for a married person, with a credit of $400 for each dependent.

As to corporation taxes Mr. Morgenthau recommended that additional taxes be raised from corporations in the amount of $3,000,000,000, an increase of about 40%. He added:

> A subtsantial share of the increased corporation tax should fall on excess profits. Taxes paid from such profits have less disrupting effects on business than taxes which are generally applicable to all corporate earnings irrespective of the rate of return. A tax which absorbs excess profits still leaves the corporate taxpayer with a sufficient margin of income for dividends and safety.
>
> * * *

It is suggested that the maximum rate of the excess profits tax be increased from 60% to 75% with corresponding increases in the lower rate brackets.

Mr. Morgenthau said that the proposed increases in the excess profits taxes have the additional virtue of recapturing undue profits on war contracts and he suggested that "the balance of the $3,000,000,000 in additional corporate taxes be provided by a special war surtax which would absorb the present corporate surtax and would be imposed at the rate of 31% on corporations with incomes of more than $25,000. He said:

> This tax would differ from the present surtax in that a special tax credit would be allowed when the surtax net income for the current year has dropped in comparison to the income for the pre-war period.

Summarizing the Secretary of the Treasury's proposals, Associated Press accounts from Washington on March 3 said in part:

> Mr. Morgenthau asked the doubling of most people's individual income tax, with rates so stiff that a single man with a $2,000 salary would pay $230 tax, and if he made $1,000,000 would only be allowed to keep about $100,000. Part of the tax probably would be deducted from pay checks.
>
> He also recommended higher taxes on corporations, plugging of so-called loopholes, new and higher excise taxes on 15 items such as soda pop and cigarettes, stiffer estate and gift taxes, plus $2,000,000,000 in additional Social Security taxes to be specified later.
>
> Together with existing Federal taxes, he said, this program would fulfill President Roosevelt's budget request for $27,000,000,000 of taxes in the coming fiscal year, beginning July 1.
>
> Mr. Morgenthau, in laying the program before the Ways and Means Committee, summed up his proposals (except for Social Security) this way:

From increased individual income taxes	$3,200,000,000
From increased corporation taxes	3,060,000,000
From increased estate, gift taxes	330,000,000
New and increased excise taxes	1,340,000,000
From plugging loopholes	680,000,000
Apparent total	$8,610,000,000
Less conflicting taxes	1,000,000,000
Net total increase	$7,610,000,000

* * *

Most of his recommendations merely increased tax rates without disturbing the ordinary methods of computing taxes.

However, he did ask removal of the 10% earned income credit, and, renewing a proposal beaten by Congress last year, urged that married couples be required to file joint returns.

Under his plan, the first dollar of a person's taxable income would be taxed at the rate of 16%, instead of the present minimum rate of 6%. Tax rates would increase rapidly until a maximum rate of 90% would apply to income in excess of $5,000,000. The present maximum is 81%.

Overall, the increase in income taxes would average 60%, but the increase is more than 100% in the lower brackets where the vast majority of people are affected.

Major changes also were proposed by Mr. Morgenthau in the case of corporation taxes, as follows:

1. Corporation normal income tax—unchanged at 15 to 19% for corporations making up to $25,000 a year; 24% for bigger corporations.
2. Corporation surtax—present surtax of 6 to 7% to be abolished, but be replaced by a special war surtax of 16% on corporations earning less than $25,000, and between 11 and 31% on bigger corporations.
3. Excess profits—method of computation (heretofore a major issue) unchanged, but range of tax rates increased from present 35 to 60% to a scale of 50 to 75%.
4. Repeal existing declared value excess profits and capital stock taxes.

Fifteen items were marked by Mr. Morgenthau for new or heavier excise taxes. They included new taxes of one cent a bottle on soft drinks. Candy and chewing gum would be taxed 15% on the manufacturers' sale prices. The gasoline tax of 1½ cents a gallon would be doubled to three cents. Other increases would affect photographic apparatus, pipe line transportation, telephone and telegraph service, oil, beer, wines, distilled spirits, transportation of persons, cigars, smoking tobacco, cigarettes and cigarette papers.

Mr. Morgenthau's loophole plugging suggestions claimed that $200,000,000 additional annual revenue should be obtained from subjecting income from both existing and future issues of State and municipal securities to the income tax; $300,000,000 from requiring joint returns of married ocuples; $80,000,000 from eliminating or altering depletion allowances granted oil, gas and mineral concerns, and $100,000,000 from other, unspecified proposals.

* * *

The Secretary's plan also would increase estate and gift taxes about 60%, both by increasing the range of taxes from the present 3-to-77% estate tax scale to a 6-to 80% scheme, and by changing the exemptions. The exemption would be made a flat $60,000 instead of a maximum of $40,000 on insurance plus $40,000 on other estate assets.

Gift tax rates, which are three-fourths of the estate tax rates in similar brackets, would rise correspondingly, but the permanent exemption of $40,000 would be cut to $30,000, and the annual exemption of $4,000 per individual gift would be changed to an annual exemption of $5,000 total of all gifts.

Mr. Morgenthau reiterated requests for economy in non-defense costs of the Federal, State and local governments.

Randolph Paul, special tax adviser of the Treasury, followed up Mr. Morgenthau's gestions with numerous additional proposals of a technical nature which would increase sharply the taxes of insurance companies, divorcees, and large estates.

Mr. Paul, however, suggested repeal of four excise taxes which he said were not producing enough revenue to be worth the trouble. These, which became effective on Oct. 1, last, are on rubber articles (not including tires and tubes), electric signs, optical equipment and commercial washing machines.

He also suggested slightly liberalized deductions from the income tax, especially for investment expenses and bad debts.

A series of complicated changes in the tax treatment of life insurance companies and of mutual casualty insurance companies was also proposed by Mr. Paul.

Mr. Paul proposed a whole series of tax relief measures for corporations. One would permit consolidated returns for affiliated companies. Another would permit reduction of the corporation war surtax (proposed by Mr. Morgenthau at 31%) in the case of corporations now earning less than they did a few years ago. This provision would be substantially an excess profits tax in reverse. A third provision would give post-war rebates to corporations on parts of their taxes. As Mr. Paul explained it, this rebate would apply only to a minor percentage of any corporation's tax.

In concluding his statement before the committee, Mr. Morgenthau said:

> The recommendations I have outlined to the committee this morning would, if added together, produce over $8,000,000,000 in additional revenue. Since the effects of any series of tax proposals are interrelated to some extent, we should deduct about $1,000,000,000 from this total. That would give us the $7,000,000,000 in new revenue which, as I said at the outset of my statement, should be regarded as the very least that we can call for at this time.
>
> We are at war. An adequate tax program is vital to the successful prosecution of the war. The new taxes will be severe, and their impact will be felt in every American home. War is never cheap; but, as I have said before, it is a million times cheaper to win than to lose.

Sproul Reelected

Allan Sproul, President of the Federal Reserve Bank of New York, has been reelected by the directors of the Federal Reserve Banks of New York and Boston to represent those banks on the Federal Open Market Committee, it was announced on Feb. 27. The term is for one year, beginning March 1, 1942. The directors have also elected William W. Paddock, President-elect of the Federal Reserve Bank of Boston, as alternate member of the committee for the same period. Mr. Sproul is Vice-Chairman of the Committee.

The Federal Open Market Committee is charged with the responsibility of buying and selling government securities for the account of the 12 central banks of the Reserve System.

Named Envoy To Russia

The U. S. Senate confirmed on Feb. 13 the appointment of Admiral William H. Standley, former Chief of Naval Operations and now retired, as Ambassador to Russia. Admiral Standley, who will succeed Laurence A. Steinhardt, now Ambassador to Turkey (indicated in our issue of Jan. 22, page 341), was named to his new post on Feb. 9. Admiral Standley is said to be well-formed on the Russian supply problem, since he was a member of the American mission, headed by W. A. Harriman, which conferred in Moscow last September with British and Russian representatives. He retired from the Navy in 1937, after 40 years active service, and recently was a member of the Roberts Commission which investigated the Japanese attack on Pearl Harbor.

Hemisphere Cooperation Vital To War, Post-War

The most urgent aspect of our relations with Latin America concerns the interchange of strategic materials but the handling of surpluses that cannot be moved out of South America is a problem of almost equal importance, Leslie A. Wheeler, head of the Agriculture Department's Office of Foreign Agricultural Relations, said on Feb. 20 in addressing the Sixth National Farm Institute at Des Moines, Iowa. Mr. Wheeler said:

> In all of our plans for the improvement of inter-American relations today, there is full recognition of the fact that we are at war and that all of our planning must be in terms of the war effort. Our hopes for a thriving, freely-moving trade within the Hemisphere must, to some extent, be postponed. The reason for this is simple. No nation in the world today, and no combination of nations has enough ships with which to move all of the things they would like to move. There is still plenty of sugar in those parts of the world to which we have access, but sugar is tight because we can't move it all. The same holds true for many other commodities.
>
> When shipping is short, priority schedules are established, and the things highest on the list move first. Thus the other American nations know that we will take from them the things most needed for our war effort, but that commodities which are less essential may be left behind in hold or in part.
>
> At the same time, we cannot ignore the fact that the commodities not moved out may create serious problems in the countries where they are piling up. We had hemispheric surpluses of home agricultural products even before the war, chiefly of wheat, cotton, coffee, and corn. . . .
>
> The first objective in the control of surpluses is, of course, to revise total production downward. The United States has made a good deal of progress in this direction. Other nations have not gone as far, but they have been studying our methods and, in some cases, have tried to work out control programs of their own. It seems likely that after the war we can put into effect agreements by which the producing countries will limit their production of surplus crops and regulate their stocks, dividing among themselves on an equitable basis the available world market.

State's Commercial Banks In Defense Bond Plans

A total of 114, or 44.5%, of the 256 commercial banks in New York State that to date have notified the New York State Bankers Association of the adoption of Defense Bonds Voluntary Payroll Savings Plans have reported 100% employee participation in such plans, Eugene C. Donovan, President of the Association, stated on Feb. 24. Mr. Donovan said:

> "In view of the fact that in promoting the payroll savings plan idea the banks of this State have respected Secretary Morgenthau's request that its voluntary aspects be emphasized, the degree of bank employee participation thus far is particularly gratifying. We find that many banks are in the 80 to 90% range, and it is expected that these shortly will move into the 100% class."

Mr. Donovan added that many banks in the State are now assisting their industrial and manufacturing customers to set up Voluntary Payroll Savings Plans for the convenience of their employees in buying Defense Bonds.

U. S.-British Accord On Lend-Lease Aid

The White House announced on Feb. 24 that the United States and Great Britain have reached a preliminary agreement in regard to principles which will govern the settlement after the war of lend-lease aid extended by the United States and such reciprocal aid as Britain is in a position to give. The agreement was signed on Feb. 23 by Sumner Welles, Acting Secretary of State, and Viscount Halifax, the British Ambassador. Reaffirming the United States' purpose of supplying defense aid to Britain, the agreement sets forth the following as the fundamental framework of the final settlement: Expansion of production, employment and trade; elimination of discriminatory treatment in international commerce; a reduction in tariffs and other trade barriers; and, in general, the attainment of the economic objectives of the Atlantic Charter.

It was pointed out by the White House that "it shall be a settlement by agreement open to participation by all other nations of like mind," and that its purpose "shall be not to burden but to improve world-wide economic relations."

As to this Associated Press accounts from Washington Feb. 24 stated:

> While the pact was signed only by the United States and Great Britain, it was specifically stated that all other nations may become participants.
>
> Sumner Welles, Undersecretary of State, said that the new Lend-Lease document was an executive agreement, entered into under authority granted to the President under the Lend-Lease Act. As an executive agreement, he explained, it would not require ratification by the Senate.

The text of the Anglo-American pact follows:

> Whereas the governments of the United States of America and the United Kingdom of Great Britain and Northern Ireland declare that they are engaged in a cooperative undertaking, together with every other nation or people of like mind, to the end of laying the bases of a just and enduring world peace securing order under law to themselves and all nations;
>
> And whereas the President of the United States of America has determined, pursuant to the Act of Congress of March 11, 1941, that the defense of the United Kingdom against aggression is vital to the defense of the United States of America;
>
> And whereas the United States of America has extended and is continuing to extend to the United Kingdom aid in resisting aggression;
>
> And whereas it is expedient that the final determination of the terms and conditions upon which the government of the United Kingdom receives such aid and of the benefits to be received by the United States of America in return therefore should be deferred until the extent of the defense aid is known and until the progress of events makes clearer and final terms and conditions and benefits which will be in mutual interests of the United States of America and the United Kingdom and will promote the establishment and maintenance of world peace;
>
> And whereas the governments of the United States of America and the United Kingdom are mutually desirous of concluding now a preliminary agreement in regard to the provision of defense aid and in regard to certain considerations which shall be taken into account in determining such terms and conditions and the making of such agreement has been in all respects duly authorized and all acts, conditions and formalities which it may have been necessary to perform, fulfill or execute prior to the making of such an agreement in conformity with the laws either of the United States of America or of the United Kingdom have been performed, fulfilled or executed as required;
>
> The undersigned, being duly authorized by their respective governments for that purpose, have agreed as follows:

Article I

The Government of the United States of America will continue to supply the Government of the United Kingdom with such defense articles, defense services and defense information as the President shall authorize to be transferred or provided.

Article II

The Government of the United Kingdom will continue to contribute to the defense of the United States of America and the strengthening thereof, and will provide such articles, services, facilities or information as it may be in a position to supply.

Article III

The Government of the United Kingdom will not without the consent of the President of the United States of America transfer title to, or possession of, any defense article or defense information transferred to it under the Act or permit the use thereof by any one not an officer, employee or agent of the Government of the United Kingdom.

Article IV

If, as a result of the transfer to the Government of the United Kingdom of any defense article or defense information, it becomes necessary for that Government to take any action or make any payment in order fully to protect any of the rights of a citizen of the United States of America who has patent rights in and to any such defense article or information, the Government of the United Kingdom will take such action or make such payment when requested to do so by the President of the United States of America.

Article V

The Government of the United Kingdom will return to the United States of America at the end of the present emergency, as determined by the President, such defense articles transferred under this agreement as shall not have been destroyed, lost or consumed and as shall be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States of America.

Article VI

In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom, full cognizance shall be taken of all property, services, information, facilities or other benefits or considerations provided by the Government of the United Kingdom subsequent to March 11, 1941, and accepted or acknowledged by the President on behalf of the United States of America.

Article VII

In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom in return for aid furnished under the Act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote advantageous economic relations between them and the betterment of world-wide economic relations. To that end they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other barriers; and, in general, to the attainment of all the economic objectives set forth in the joint declaration made on Aug. 12, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

At an early convenient date, conversations shall be begun between the two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other like-minded governments.

Article VIII

This agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two Governments.

Signed and sealed at Washington in duplicate this 23d day of February, 1941.

Congress Restricts OCD In Use Of Funds

President Roosevelt has signed the $163,000,000 deficiency appropriation bill, which includes $100,000,000 for the Office of Civilian Defense, it was announced by the White House on Feb. 23. The funds will be used for air raid precaution and fire fighting equipment. The House voted the measure on Feb. 9 and the Senate passed it on Feb. 23 after inserting restrictions on how the OCD was to use the funds. Much Congressional criticism had arisen over some appointments in the physical fitness program of the OCD. Under the bill $57,217,271 would be spent for fire-fighting equipment and training; $7,998,545 for protective clothing and steel helmets; $4,890,290 for emergency, medical supplies and equipment, and $29,893,894 for gas masks and facilities for their manufacture.

Mrs Franklin D. Roosevelt, an Assistant Director of the OCD in charge of the Voluntary Participation Division. resigned on Feb. 20 in view of criticism of her connection with the OCD. Mrs. Roosevelt, in her letter of resignation to Dean James M. Landis, Director of the OCD said:

> I feel that the organization for civilian mobilization is now complete as far as the Washington office is concerned, and therefore I am giving you my resignation to take effect on Friday, Feb. 20, 1942.
>
> As you know, I recognize fully the importance of civilian protection under your direction, but I also believe very firmly that all civilians of our country must be mobilized in order to make civilian protection possible. For that reason, I have felt that the organization of this side of the program, undertaken under the executive order was extremely important.
>
> I did not wish to leave the Office of Civilian Defense until I could feel that I was doing so with completely competent people in charge. That is now accomplished and by remaining I would only make it possible for those who wish to attack me, because of my beliefs, to attack an agency which I consider can prove its usefulness so completely to the people, that it should be free of attack, in order to render its maximum service.
>
> No individual is more important than a good program. I feel that yours is and will be a program vital to the well-being of the country.
>
> With every good wish to all of you, I am,
>
> Very cordially yours,
>
> ELEANOR ROOSEVELT.

In his reply Dean Landis said in part:

> Of course, the Office of Civilian Defense, though it may lose your active participation, can never lose either the sense of direction that you have given it or the support that I know it will still receive from you. To do so would be to have a civilian army without those faiths that alone make for victory.
>
> I know that I cannot ask you to continue to give so greatly of your time and gallantry to this office, but I can bespeak a country's gratitude for what you have given through this office to the men, women and children of America.

Dean Landis recently succeeded Mayor F. H. LaGuardia of New York City, whose resignation as head of the Office of Civilian Defense was noted in our issue of Feb. 12, page 671, in the item relative to the signing by the President of the bill providing an appropriation of $100,000,000 for the OCD. Announcement was made on Feb. 18 by Dean Landis of a partial reorganization of the OCD when he abolished two divisions — the Ofifce of Inspectors General and the Know-Your-Government Division — on the ground that they were of "no further value."

Mr. Landis on Feb. 23 announced the appointment of Jonathan Daniels, North Carolina editor, as an Assistant Director of the OCD in charge of the new Civilian Mobilization Division. This action supersedes Mrs. Roosevelt's former duties. Mr. Daniels, is a son of Josephus Daniels, formerly Ambassador to Mexico.

N. Y. Board of Trade Reports '41 Activities

Arthur Snyder, President of the New York Board of Trade for 1941, and now Chairman of the Board, on Feb. 24 mailed to members a report of activities. The report is attractively bound in a two-colored cover with a "V" for Victory behind a silhouette of New York City's skyline. In the preface Mr. Snyder states that in gathering together the data of a year's activities of the Board one is impressed "with its innumerable and far-reaching activities." He presents selected activities, but omits details. Among other things Mr. Snyder has the following to say regarding the Board's membership:

> The membership of your Board of Trade during the year 1941 increased approximately 13%, and is at the highest peak of the past ten years. * * *
>
> The Board of Trade truly represents an accurate cross-section of America's great business and industrial enterprise.

In advocating the bringing of many Federal bureaus to New York City, Mr. Snyder's report says:

> War activities are crowding governmental bureaus out of Washington. Space is at a premium. Non-defense government office buildings have been appropriated, thousands of workers have been transferred from and new ones brought to the nation's capital with unprecedented confusion and congestion in housing, in hotels, and in office space. * * *
>
> But even stronger reasons than these should compel the removal of many governmental bureaus to this city. New York is the nation's capital market. It is the headquarters of the country's largest exchanges and the country's greatest banks and insurance companies. Many business corporations, with securities to market, have their headquarters in this city. The Securities and Exchange Commission, to illustrate, rightly belongs in New York City, and not in some location far removed from the activities which that Commission regulates.
>
> In like manner the Federal Reserve Board, the Federal Deposit Insurance Corporation and the Export and Import Banks should be located in this City.
>
> As the nation's largest port, this city should be the seat of the Maritime Commission and the Maritime Labor Board. As the center of communications of all kinds, the Federal Communications Commission should be established here; and the National Labor Relations Board, the Federal Trade Commission, the United States Tariff Commission, The Federal Security Agency and the Federal Housing Administration should be established near the interests affected by them.

From the report we also quote:

> Real estate, to which the City looks for the bulk of its revenue, is greatly over assessed, and it will not be surprising if certiorari proceedings should be instituted in a rising tide during the coming year. The courts are beginning to show a determined insistence that assessed valuation must represent the true value of property, as the law provides. The City cannot raise substantially its tax rate. The borrowing margin has dwindled to the danger point and there is not sufficient reserve to provide for an emergency.
>
> *Tax Upon a Tax*
>
> One gross inequity in the State taxing system certainly should be corrected promptly. Citizens should be permitted to deduct Federal income taxes in computing the income tax payable to the State of New York.
>
> *Federal Finances*
>
> Practically every one of the Board's many recommendations as to the method of levying the tax has now been incorporated in the Federal tax structure. Newspapers throughout the country gave much space to Mr. Seidman's appearances and some stated that "The New York Board of Trade advocated taxing the poor." The methematics, however, is clear — the great tax burden confronting this nation can be paid but from one source — all the people. * * *.
>
> I venture to prophesy that in the years to come the greatest service your Board can render to the nation and to business will be by aggressively advocating the levying of taxes in a sound and equitable manner, and without destroying private initiative.

McNamara Transferred

John B. McNamara, Acting Collector of Internal Revenue for the Second New York District, has been transferred to the Office of Commissioner of Internal Revenue in Washington where he has been appointed Executive Assistant to the Commissioner, it is announced by Norman D. Cann, Acting Commissioner.

Growth Of Securities Ownership Surveyed

The number of corporate stockholders in the United States is now greater than ever before, according to an article appearing in February issue of "The Exchange," magazine of the New York Stock Exchange. Merely within the past year, the publication states, the 50 listed corporations for which the Stock Exchange regularly compiles a record of shareowners showed an aggregate gain of 50,000 holders. The total holders of common stock in these companies now number 3,710,000—a figure 79% larger than in 1929. The article goes on to say:

> Although up-to-date records are not available for all listed corporations, it is clear that the grand total of stockholders is now at a high-water mark for all time. Many new securities owners have been served by the listed market as well as by the secondary distributions taking place within the past year or so.
>
> The wider diffusion becomes all the more striking when the character of the 50 companies which make up the Stock Exchange's tabulation is reviewed. Rather than growth companies, they are in most instances such standbys as American Telephone & Telegraph, General Electric, General Motors, New York Central and United States Steel.
>
> Year-to-year changes in the total of corporate security holders naturally reflect the interplay of many influences. But some major trends which can be mentioned in connection with 1941 are the repatriation of a large volume of domestic securities formerly held by British subjects, with the shares apparently receiving a wider distribution in this country than they had enjoyed in Great Britain, and the breaking up of some large domestic holdings in order to obtain funds for paying taxes and for other reasons.
>
> Where large blocks of securities are being accumulated today, it is interesting to note that very often the buyer is a public or quasi-public body, such as a foundation, university or investment trust. The day of the private overlord seems to be definitely on the wane.
>
> Taken separately, some of the companies show sizeable increases following secondary distribution of their stocks. The growth of stockholders in F. W. Woolworth Co. coincided with the secondary distribution during the year of 145,000 shares of its common stock. A total of 100,703 common shares of General Electric was redistributed in this way; also 65,134 shares of Union Pacific and 62,420 shares of The Borden Company.
>
> These secondaries are mentioned because they happen to be in issues of the fifty companies included in the Stock Exchange's tabulation, and also because in each instance an increase in the number of stockholders was experienced during the past year.
>
> Securities ownership has expanded generally throughout the fifteen years, except in the period, 1933 through 1936, in which it remained fairly constant. The growth has been progressive since that time.
>
> Despite the current low state of its business, it is apparent that the securities market today serves a much broader economic and social purpose than it did even in the flush days of 1929—and is of importance to a vastly larger number of people.

Failures Below 1941 Despite Seasonal Rise

Commercial failures showed the usual seasonal rise in the opening month of 1942 numbering 962 in comparison with 898 in December; liabilities involved, however, dropped to $9,916,000 from $13,469,000 the month previous. January's insolvencies were substantially below the 1,124, involving $11,888,000 reported to Dun & Bradstreet in January 1941, and the smallest of any January since the failure figures have been compield on a comparable basis (since January 1939). In the past the January record frequently has established the year's peak, which augurs favorably for business solvency this year.

Not all branches of business participated in the improvement over last year. Two of the five groups into which the Dun & Bradstreet figures are divided had more casualties last month than a year previous; these were the construction and commercial service divisions. The former had 65 failures involving $851,000 liabilities last month compared with 54, with $599,000 liabilities in January, 1941; the latter had 54 bankruptcies involving $589,000 liabilities in comparison with 43, involving $359,000 a year ago. Retail failures on the other hand, dropped to 604 involving $3,641,000 liabilities from 771, involving $5,084,000 last year; in the wholesale field, 81 firms failed for $1,285,000 as compared with 95 for $1,629,000 a year ago; in the manufacturing division there were 159 failures involving $3,550,000 liabilities compared with 161 involving $4,217,000 last year.

On a geographical basis, failures were reduced from January, 1941, in all sections of the country except the Chicago, Minneapolis and Atlanta Federal Reserve Districts. The greatest improvement was reported in the Eastern Districts, with the exception of the Dallas District where insolvencies fell off as much as 75%.

Soybean Program

The Department of Agriculture announced on Feb. 24 the terms of a loan and purchase program to be administered by Commodity Credit Corporation on the 1942 crop of soybeans. The program implements the announcement made by Secretary Wickard on Jan. 16, in connection with the 1942 production goals, that prices for yellow soybeans of high oil content varieties would be supported at not less than $1.60 per bushel. Under the program CCC offers to make loans on farm-stored soybeans or to purchase soybeans stored in approved warehouses or delivered to designated delivery points. The Agriculture Department further said:

> The base rates at which soybeans will be purchased from producers at warehouse points or designated delivery points, will vary according to class, grade, and quality. Rates for classes I and II (green and yellow) will be $1.60 per bushel for high oil content and $1.50 per bushel for medium oil content; and rates for classes III, IV, and V (brown, black, and mixed) will be $1.50 per bushel for high oil content, and $1.40 per bushel for low oil content.
>
> To be eligible for purchase, the soybeans must grade No. 4 or better, must have been produced in compliance with the AAA program, and must be owned by the producer, and must not be classed as weevily, musty, sour, heating, or have any objectionable odor. Grades below No. 2 will be purchased at the basis of discounts generally recognized by the trade. Purchases will be made through June 30, 1943.

AAA Program Amended To Increase War Crops

Two important amendments in the Agricultural Adjustment Administration program to get increased production of "war crops" in 1942 in areas particularly adapted to such crops were announced on Feb. 24 by the Department of Agriculture. The amendments, said the Department, are intended to stimulate especially the production of oil crops, to supplement imports of oil drastically cut by war in the Far East. The amendments apply particularly to flaxseed and soybeans, grown principally in West and Midwest areas, but other war crops are included. They are peanuts (for oil), castor beans, sugar beets, dry field peas, dry beans, canning peas, canning tomatoes, fiber flax and hemp. The Department's announcement also says:

> At least a 10% increase in 1942 production over that of 1941 is called for in the case of each of tne war crops, the amendments aim at (1) expansion of war crop acreage wherever necessary to increase production for 1942, and (2) continuation of soil-building practices to increase production for 1943 and the duration of the war through increased yields per acre.
>
> The first amendment extends the list of crops and land uses which may be used to meet the requirement that 20% of the farm's cropland be devoted to soil building crops. Added to the list are grasses and legumes seeded with flax, peas or small grains as a nurse crop. However, the extent to which these crops qualify depends upon the acreage of the war crops grown on the farm.
>
> The second amendment is directed at peanut growing areas, where the soil building program requires that cooperators devote a minimum of 25% of their farm's cropland to erosion resisting crops.
>
> The amendment provides that peanuts grown for oil may qualify under the 25% requirement, providing such acreage is seeded with an approved clover crop next fall following harvest. However, only half the erosion resisting acreage requirement may be met under the amendment.
>
> In announcing the amendments, AAA officials pointed out that farmers who underseed spring wheat acreage in 1942 in order to grow increased acreages of war crops will not thereby alter the basis upon which their wheat acreage allotments will be established in the future.

Hemisphere Dollar Needed

The statement that "there is need for a Bank of North and South America and for a hemisphere dollar," was attributed to Secretary of the Treasury Morgenthau on Feb. 23, in advises from Washington to the New York "Times," which went on to say:

> He made the assertion after having been asked about recent visits by Brazil's Minister of Finance, Dr. Arthur de Sousa Costa.
>
> The Secretary said that Dr. de Sousa Costa had not asked for a loan, as Brazil's finances are in excellent shape. Exchange disparities, however, between the United States and Brazil made it difficult to meet the cost of educating Brazilian students here while at the same time favoring American students who go to the Southern Hemisphere republic.
>
> Mr. Morgenthau said he though his suggestions for an American bank and a hemisphere dollar would be excellent matters to bring up at the forthcoming conference of Finance Ministers in Rio.

Treasury Given Control Over Alien-owned Property

Secretary of the Treasury Morgenthau released on Feb. 23 the text of the President's order delegating to the Secretary of the Treasury all the powers relating to the administration, custody, vesting, and control of foreign-owned property, including enemy-owned property. Announcement of the substance of this order was made the previous week by Mr. Morgenthau at his press conference.

The Treasury's announcement adds:

> The order specifically delegates to the Secretary of the Treasury all power and authority under sections 3(a) and 5(b) of the Trading with the Enemy Act, as amended by Title III of the First War Powers Act, 1941. Section 5(b) of the Act gives the President, or such officer as he designates, comprehensive authority to deal with any foreign-owned or foreign-controlled property. Existing freezing orders and regulations have been issued under the authority of this section.. Section 3(a) of the Act relates to restrictions on trading with the enemy. Under the General License signed by the President on Dec. 13, 1941, the licensing procedure under section 3(a) was integrated with the licensing procedure under the freezing regulations. The new order also clarifies the scope of such integration.

The text of the President's order is as follows:

THE WHITE HOUSE
Washington
Feb. 12, 1942

Memorandum to the Secretary of the Treasury:

All power and authority conferred upon me by Sections 3(a) and 5(b) of the Trading with the Enemy Act, as amended, are hereby delegated to the Secretary of the Treasury.
(signed)
FRANKLIN D. ROOSEVELT.

It is estimated that there is more than $7,000,000,000 of foreign-owned property which has been taken into custody under Government "freezing" orders.

W. A. Lockwood Resigns

The Board of Governors of the New York Curb Exchange has, with great reluctance, accepted the resignation of William A. Lockwood as General Counsel to the Exchange. Mr. Lockwood will continue to be retained by the Exchange in a consultive capacity. Mr. Lockwood first became General Counsel for the Exchange in February, 1922. The 20 years, during which he has actively advised the Exchange, have covered all but one of the years in which the Exchange has been an indoors securities market. The Exchange in its announcement said:

> Very few men have exerted as long and as profound an influence in Wall Street as he has and his advice will continue to be an important contribution to the affairs of the Exchange.

In announcing that the Board of Governors has appointed Francis Adams Truslow, General Counsel to the Exchange, the announcement states:

> Mr. Truslow became associated with Mr. Lockwood and with the Exchange in July, 1934, at the time of the passage of the Securities Exchange Act. Mr. Truslow, a graduate of Yale College and Harvard University School of Law, has been a partner in the firm of Morgan & Lockwood since 1936. On the first of March he will join the firm of Reed, Crane & deGive, which will continue the general practice of law as Reed, Truslow, Crane & deGive, with offices at 570 Lexington Avenue.

St. Louis Fed. Reserve Reports 1941 Profits Up

Net profits of all member banks of the Federal Reserve Bank of St. Louis in 1941 amounted to 8.0% of their invested capital funds, an increase of 0.4% from net profits of 7.6% realized in 1940, according to advices from the Reserve Bank on Feb. 23, which states that the banks declared cash dividends equivalent to 3.2% of capital funds in the year 1941, the same as declared in 1940. The Reserve Bank likewise says:

> These results were shown in the study of operating ratios for the past year of 414 member banks in the Eighth District, which has just been completed by the Federal Reserve Bank of St. Louis and mailed to its member banks and others.
>
> The study includes 33 ratios pertinent to the analysis of bank operations. In order to enable banks to compare their results with others of similar size, the ratios have been presented for seven groups of banks according to the volume of average deposits.
>
> Banks having average deposits of up to $250,000 showed net profits of 4.1% on capital funds; those with deposits of from $250,000 to $500,000 showed net profits of 8.7%; from $500,000 to $1,000,000, 8.0%; from $1,000,000 to $2,000,-00, 7.8%; from $2,000,000 to $5,000,000, 8.7%; from $5,000,000 to $10,000,000, 8.3%; and over $10,000,000 showed 7.8% net profits on total capital funds.
>
> At all banks interest and discount on loans represented 60.3% of the total operating earnings, while interest and dividends on investments accounted for 24.1%. Current expenses absorbed 71.1% of the operating earnings.

Prohibits Unauthorized Importation of New Tires

No one may bring new tires or tubes into the United States either for use or for resale except under express authority of the Office of Price Administration, according to a ruling contained in a letter sent to the Commissioner of Customs by Leon Henderson, OPA administrator. The advices issued by the latter state:

> The letter was in answer to a request for advice from the Commissioner, who had received a number of communications from customs officials at border station and ports of entry asking what procedure to follow on tire imports in light of OPA rationing regulations. Similar letters have been sent by the OPA in reply to private complaints that American automobile owners were crossing into Mexico, getting new tires mounted on their cars, and returning to the United States.
>
> Even aside from the OPA prohibition, however, the latter practice has been stopped effectively by Mexico itself. Like Canada, Mexico recently has put stringent restrictions on tire exports.
>
> Although the OPA letters point out that unauthorized importation of new tires or tubes is prohibited under Section 801 (a) of the Revised Tire Rationing Regulations, at the same time, it is made plain that qualified persons may import new tires and tubes exclusively for resale, provided they first obtain OPA authorization. Imports under this authority, the letter of the Commission of Custom says, "as soon as they enter this country will be subject to the rules and regulations of this Office and, therefore, can only be distributed in accordance with the appropriate sections of the Revised Tire Rationing Regulations."

Merges Farm Agencies

President Roosevelt issued an executive order on Feb. 24 consolidating a number of agencies in the Department of Agriculture, in order to insure "swifter and more efficient prosecution of the present war."

Those agencies affected by the order and their new set-up is as follows, according to Washington advices to the "Wall Street Journal":

> The Surplus Marketing Administration (including the Federal Surplus Commodities Corp. as a department agency), the Agricultural Marketing Service (except the agriculture statistics division), and the Commodity Exchange Administration of the Agriculture Department are consolidated into an agency known as the Agricultural Marketing Administration of the Department of Agriculture.
>
> The agricultural statistics division of the Agricultural Marketing Service and its functions, personnel, property and records used primarily in the administration of its functions are transferred to the Bureau of Agricultural Economics of the Department.
>
> The Agricultural Adjustment Administration, Soil Conservation Service, Federal Crop Insurance Corp. and the Sugar Division are merged into an agency to be known as the Agricultural Conservation and Adjustment Administration of the Department.
>
> The Bureau of Animal Industry, the Bureau of Dairy Industry, the Bureau of Plant Industry, the Bureau of Agricultural Chemistry and Engineering, the Bureau of Entomology and Plant Quarantine, the Bureau of Home Economics, the Office of Experiment Stations, and the Beltsville Research Center of the Department are consolidated under one agency to be known as the Agricultural Research Administration of the Department.

The Secretary of Agriculture is authorized to designate an officer to administer the four main divisions. The order will remain in force for six months after the end of the present war.

March Food Stamp Program

The Department of Agriculture announced the list of foods which wil be available during March for purchase with blue stamps by families taking part in the Food Stamp program. The Department's announcement states:

> Pork has been removed from the list of foods for March because prices of pork during the past few weeks have advanced sharply. However, stamp program participants will continue to have available a wide choice of nutritious foods, including butter and eggs. Eggs will offer a readily available substitute for meat during the time of the year when egg production is heavy and prices decline seasonally. In addition, stamp plan participants will continue to have available many varieties of fresh fruits and vegetables to assure them of a balanced diet. Families taking part in the stamp program can obtain the blue stamp foods in local stores in exchange for blue stamps.

The complete list of foods for the period March 1 through March 31, as issued by the Surplus Marketing Administration for all stamp program areas, is as follows: shell eggs, butter, fresh grapefruit, pears, apples, oranges, and fresh vegetables (including potatoes), corn meal, dried prunes, hominy (corn) grits, dry edible beans, wheat flour, enriched wheat flour, self-rising flour, enriched self-rising flour, and whole wheat (Graham) flour.

Announce Draft Lottery

Selective Service headquarters has fixed the new draft lottery for March 17—St. Patrick's Day. The drawing—the first wartime lottery since 1917—will affect the estimated 9,000,000 men between the ages of 20 and 45 years who registered for possible military service on Feb. 16. The lottery, determining the order in which men will be called for service, will be conducted in much the same manner as the two previous Selective Service drawings.

Registration of these men was referred to in these columns Feb. 26, page 865.

Brig. Gen. Lewis B. Hershey, National Selective Service Director, told the House Agriculture Committee on Feb. 23 that the Nation will "have to have more controls over the placement of men" to meet the war manpower problem.

Discussing depletion of the farm labor supply by the draft and by industry. General Hershey conceded that some local draft boards—"especially where they are particularly patriotic"—have been "rather severe" in classifying registrants. Further reporting on his remarks, United Press advices said:

> Out of the total of men taken away from farms, he said, the draft has accounted for only 15% while the remaining 85% have been attracted to industrial centres by the lure of higher wages.
>
> Stabilization of employment and use of manpower—"call it freezing if you want to"—may be necessary to prevent competition between the personnel-using agencies such as industry and the Army, he said.
>
> "You are going to have to stabilize and not let the using agencies reach over into other people's supplies," he said.
>
> The problem on the farms has been complicated by the reluctance of both registrants and their parents to seek deferment, he said, while many local boards have been fearful of causing charges of favoritism in establishing a deferment policy.

L. Douglas Transferred

Lewis W. Douglas, President of the Mutual Life Insurance Co. of New York, who was appointed on Jan. 26 as Assistant Lend-Lease Expediter in London, has been transferred to work with the War Shipping Administration as adviser to its head, Rear Admiral Emory S. Land, it was announced in Washington on Feb. 20. It is said that Admiral Land requested the change and it was agreed to by President Roosevelt and W. Averell Harriman, Lend-Lease Expediter. Admiral Land is the United States representative on the Anglo-American Combined Shipping Adjustment Board, whose duty it is to pool the shipping resources of the two countries, and it is believed that Mr. Douglas will be concerned chiefly with the economic aspects of this allocation. His appointment to the other post was reported in these columns Feb. 5, page 564.

Calif. Business Gains

California business during January continued to register substantial gains, according to the current "Business Outlook" released by the Wells Fargo Bank & Union Trust Co. of San Francisco. The Wells Fargo index of the State's business activity (1935-39 average equaling 100) climbed to 196.8 last month from 190.3 in December. The January 1941 index figure was 138.7. Comparing January with the preceding month, all four of the index factors (department-store sales, bank debits, carloadings, and industrial production) registered increases.

Defense Transportation Adds Four Executives

Appointment of four additional executives to the staff of the Office of Defense Transportation was announced on Feb. 24 by Joseph B. Eastman, Director of Defense Transportation. Edward A. Roberts has been named Associate Director, Division of Local Transport; Glenn E. Taylor has been appointed Assistant Director, Division of Inland Waterway Transport; Hallan Huffman has been appointed Assistant General Counsel; and John C. Howard has been named Assistant to the Director of the Division of Rates. From the announcement we quote in part:

> Mr. Roberts is a consulting engineer specializing in urban passenger transportation. In recent years he has been a member of the firms of Fisk and Roberts and the Beeler Organization, both in New York City. He has also held appointments as consulting engineer to the New Jersey Board of Public Utility Commissioners, and Chief of the Transit Bureau of the New York Transit Commission, and was on the staff of the Public Utilities Commission of the District of Columbia during World War I.
>
> Mr. Roberts received his engineering education at Harvard University, graduating in 1914. From 1923 until January, 1942, when he resigned, Mr. Roberts was President of the Queens-Nassau Transit Lines, Inc., New York City.
>
> Mr. Taylor, a graduate of the University of Wisconsin, was District Superintendent of the Federal Barge Lines, stationed at New Orleans, Louisiana, at the time of his appointment. He has been connected with the Federal Barge Lines since 1920.
>
> Mr. Huffman has been Regional Attorney, Bureau of Motor Carriers, Interstate Commerce Commission. He was educated at the University of Minnesota.
>
> Mr. Howard, after graduating from the Wharton School of Commerce of the University of Pennsylvania, was employed in the Traffic Department of E. J. Lavino & Co. He later joined the United States Rubber Co. and since 1939 has been manager of the Rate and Tariff Division, General Traffic Department.

Liquidate Sugar Contracts

The Board of Managers of the New York Coffee and Sugar Exchange, in a resolution adopted on Feb. 24, ordered that all Sugar Contracts No. 4 (world) calling for delivery in the calendar year 1942 outstanding at the close of business on Feb. 24 be liquidated at 2.65 cents a pound. This procedure had been urged by the War Production Board, it was pointed out in the preamble to the resolution. It was further explained that the head of the Cuban Institute for the Stabilization of Sugar had informed the Exchange's Board of Managers at the latter's request that sugar deliveries on No. 4 contract could not be made in March or subsequent months due to the Presidential decree providing that "1941 crop sugars are to be delivered only to comply with contract with British Government or refiners either in United States or England or local and not for any other purposes." The Board expressed the opinion that "a situation of such extreme urgency has arisen that a rigid enforcement of such contracts generally would be grossly at variance with just and equitable principles of trade" and that relief should be provided.

Similar action was taken by the Exchange's Board of Managers on Feb. 19 with respect to Sugar Contracts No. 3 (domestic) as noted in our issue of Feb. 26, page 847.

President Reorganizes Government Agencies

President Roosevelt issued on executive order on Feb. 24 consolidating 16 Governmental housing agencies into a new unit to be known as the National Housing Agency under the direction of John B. Blandford, Jr., Assistant Director of the Bureau of the Budget.

The President at the same time abolished the Federal Loan Agency, transferring its non-housing functions to the Department of Commerce, and grouped many agencies of the Department of Agriculture into four main divisions.

Mr. Roosevelt explained in his orders that these administrative changes were designed to insure "swifter and more efficient prosecution of the present war."

The housing order, the President said, simplifies and improves administration but it does not change purposes. Government aid to housing has already been limited almost entirely to building houses for war workers because of the limitation on materials.

In the National Housing Agency will be these three main units:

1. Public Housing Authority, with Leon Keyserling, now acting head of the United States Housing Authority, as Acting Commissioner.
2. Federal Housing Administration with Abner Ferguson, present FHA Administrator, as Commissioner.
3. Federal Home Loan Bank Administration, with John Fahey, present Chairman of the Federal Home Loan Bank Board, as Commissioner.

The present agencies which are coordinated into these three units are:

Federal Housing Administration.

Federal Home Loan Bank Board.

Federal Home Loan Bank System.

Federal Savings & Loan Insurance Corporation.

Home Owners' Loan Corporation.

United States Housing Corporation.

United States Housing Authority.

Defense Homes Corporation, non-farm public housing of the Farm Security Administration.

Federal Works Agency.

Public Buildings Administration, Division of Defense Housing.

Mutual Ownership Defense Housing Division in the FWA, War and Navy Departments (except for buildings on military reservations).

Defense housing of the Farm Security Administration and the Division of Defense Housing Co-ordination.

Charles F. Palmer, who was head of the abolished office of Defense Housing Coordinator, has been asked by the President to make a personal study of housing conditions in England.

In his letter to Mr. Palmer under date of Feb. 24 the President said:

> The Executive Orders which I have signed today consolidating all of the public and private housing agencies in Government make it unnecessary to continue the Division of Defense Housing Coordination as such. As you know, the functions of such division are being transferred along with many more extended powers to the new National Housing Agency.
>
> The Division of Defense Coordination, created in July, 1940, has done a splendid job with its limited powers since its creation. You have been able to direct a coordinated program for housing defense workers under conditions which have been very difficult.
>
> The demands of warfare have made necessary the setting up of a new agency. I understand that England has made great progress in working out the difficulties of housing under wartime conditions and affiliated problems, as well as post war housing planning. Such things —in addition to the many problems which we have already faced in this country—include emergency repairs of wartime damage, stock piles of materials for such purposes, financial help and abatement of rent in relation to wartime damage, insurance funds for wartime damage, reception centers for housing evacuees, post war housing construction, and related subjects.
>
> I should like to have you adapt the experience gained by you in your work over the last 18 months to the working out of foregoing and similar problems.

Since Jesse H. Jones was both Federal Loan Administrator and Secretary of Commerce he will continue to have charge of the non-housing functions of the FLA, which have been transferred to the Commerce Department. These include the Reconstruction Finance Corporation and its several subsidiary corporations.

With respect to the President's order affecting the Agriculture Department, seventeen of its bureaus, divisions and administrations are grouped into Agricultural Marketing Administration, Bureau of Agricultural Economics, Agricultural Conservation and Adjustment Administration, and Agricultural Research Administration.

Home Owner Financing Up

The Federal Home Loan Bank of Chicago announced on Feb. 28 that the greatest year for acquiring homes in Illinois and Wisconsin since before the depression was 1941, when 129,229 families recorded mortgages totaling $427,-318,000. The bank points out that even in December, when the war began, $32,626,000 was borrowed, which was 3.95% more than in November and 18.07% more than in December, 1940. These figures comprise mortgage recordings of $20,000 and under by all types of lenders. It is also indicated that in comparison with 1940 the home-owner borrowings showed a 35% increase. Meanwhile the number of borrowers increased just 30.5%, meaning that larger average loans characterized 1941. A. R. Gardner, President of the Chicago Bank, sees two reasons for this—rising building costs which make necessary larger construction loans for the same general type of home which used to be built for less, and the stiffening prices of already existing homes, which mean that purchase loans also tend to be larger. The average 1941 loan was $109 larger than its predecessor in 1940.

Community Farm Dinners

The responsibilities of farmers in the nation's war program will be the keynote of community farmer dinners to be held throughout the nation on the evening of March 9, the Department of Agriculture announces. These meetings will hear, by radio, addresses by President Roosevelt, Vice-President Wallace, and Secretary Wickard. Besides serving as an occasion for speeding the war time farm production program, it is pointed out, the meetings will observe the ninth anniversary of the farm leaders' meeting, on March 8, 1933, out of which grew the present national farm programs. Meetings have been scheduled for communities in practically all mid-Western and far-Western States, and many are to be held in the South and East.

Auto Rationing Starts OPA Fixes Year's Quota

The general rationing program for new passenger automobiles went into effect on March 2 and local rationing boards began receiving applications from persons on the eligibility list. Price Administrator Leon Henderson has fixed the number of 1942 cars which may be rationed over the next 12 months at 340,000, of which 120,000 cars will be made available between March 2 and May 31. However, an additional 25,500 vehicles have been earmarked for State and national "reserves." The total to be released to essential users over the next 12 months represents 30% of the total supply of 480,000 new 1942 passenger automobiles in the hands of manufacturers, distributors and dealers. The remainder have been put into a national "stockpile" for rationing in 1943 and after.

The rationing plan is being administered by the local boards already set up to handle the distribution of tires. In order to obtain a new-car certificate eligible civilians will have to pass stringent tests applied by local boards.

The list of eligible purchasers in the automobile rationing regulations is virtually identical with the operators of eligible vehicles under the new and retreaded tire rationing plan. Summarized, the automobile "eligibles" include:

Physicians, surgeons, visiting nurses and farm veterinaries.

Clergymen.

Institutions needing ambulances.

Fire fighters and police officers requiring cars for official duty.

Other public health and safety officials.

Persons carrying mail under Government contract.

Licensed jitney, taxi, or similar transportation operators.

Persons using cars in connection with essential construction, maintenance and repair services.

Executives, technicians, engineers, and workers directly or indirectly connected with prosecution of the war.

Federal, State, local and foreign Government employees engaged in duties directly connected with protecting public health and safety or prosecution of the war effort.

Farmers lacking other means of transporting produce or supplies to and from market.

Traveling salesmen handling essential supplies.

Persons carrying newspapers for wholesale delivery.

The eligible purchasers' certificates will have a life of 30 days and are not transferable. The certificates are valid for purchases anywhere in the United States at prices not exceeding the maximums established by the OPA on Feb. 2 (see issue of Feb. 12, page 685).

Commenting upon the initial quotas, Mr. Henderson said:

> The liberal quotas established for the first three months under the automobile rationing plan reflect our previously announced policy of permitting distribution of new passenger automobiles other than those held in the "stockpile" roughly during the period of a year. The decision to release a large number of cars has not been made lightly. Some automobile transportation is essential to the operation of our economy. New automobiles are extremely scarce commodities—total stocks which must last for the "duration" represent only about six weeks' supply measured in terms of 1941 demand.
>
> On the other hand, a number of considerations have led us to release cars rapidly. Storage of cars is expensive and, even where all proper precautions are taken, some depreciation is unavoidable. Storage facilities badly needed for other purposes are now being used to store automobiles and it is desirable that this space be made available as quickly as possible. Rapid release of cars will also help to cushion the terrible impact of the sudden stoppage of automobile production upon automobile dealers and others who derive their incomes from retail sales of automobiles.
>
> Furthermore, the withholding of automobiles from the market is an inflationary force. The income created by the production of automobiles has been paid out and is already reflected in the demand for goods, while goods which would absorb the equivalent of this income are being held off the market. Also, cars that are sold now will continue to give service for a period of years, and we believe that our responsibilities can best be met by moving the existing stock of new passenger cars fairly rapidly in the hands of those who have the best claim to new car transportation.

Canadian War Output

The high tempo of Canadian war production continues to influence export trade returns, according to the current "Business Summary" of the Bank of Montreal. Domestic exports in January, excluding gold, reached a total of $150,520,000, compared with $86,921,000 in the first month of 1941, an advance of 73%. Imports in December, the latest figures available amounted to $125,779,000, compared with $102,302,000 in December, 1940. The bank in its summary says:

> Canada occupies third place as an Allied exporting nation and war equipment bulks largely in the export list. Shipments to the Straits Settlements rose in value in January from $565,000 to $1,698,000; to Russia from a negligible figure to $2,743,000; to British India, $6,208,000 from $2,135,000 in January, 1941; United Kingdom, $54,986,000 from $35,652,000; and Egypt, $12,162,000 from $815,000. Exports to the United States in the month rose in value from $36,043,000 to $56,083,000.
>
> Consumption restrictions are tightening and becoming more numerous as the scarcity of essential materials develops, and there is every likelihood that this trend will continue.

Living Costs In Large Cities Advanced 1.3% From Mid-December to Mid-January

The cost of living advanced by 1.3% from mid-December to mid-January, Secretary of Labor Perkins reported on Feb. 18. "Much higher food prices increased the family food bill by 2.7% and there were smaller increases in the cost of all other major groups of goods and services the family buys," Miss Perkins said. "By Jan. 15, 1942 living costs were 13.5% higher than in August, 1939, the month immediately preceding the outbreak of the war. The cost of living index, which measures changes to moderate-income families stood at 111.9 on Jan. 15, using average costs during 1935-39 as 100. This is 11.0% higher than in January of last year," the Secretary stated.

The Labor Department's announcement further said:

> The Bureau of Labor Statistics has inaugurated a policy of making adjustment in its cost of living index as civilian goods disappear from the market. In calculating changes in the cost of living from Dec. 15 to Jan. 15, prices of new automobiles and new tires have been dropped since they are no longer available for purchase by the ordinary civilian. Prices of used automobiles and used tires have been included to the extent that the average moderate-income family now buys them. Charges for automobile repairs and for public transportation have been given added importance in the index to take account of increased family expenditures for these services. In the future, the Bureau will make other such changes in order to keep the goods and services included in its cost of living index representative of family purchases in wartime.

Food

The 2.7% rise in food costs in the one month between mid-December and mid-January reflected substantially higher prices for almost all important foods in all cities covered by the Bureau's survey. Large price increases for beef, pork, potatoes, bread and sugar, followed substantial earlier advances in wholesale markets. Prices for eggs, oranges and carrots showed seasonal declines. The mid-January index of retail food costs, which was 116.2% of the 1935-39 average, reached its highest level since December, 1930. This was 18.8% higher than a year ago and nearly 25% above the pre-war level, when food prices were relatively low. During the last half of January, preliminary reports indicate further advances in food costs with the exception of eggs, oranges and pork which declined seasonally.

Clothing

The clothing bill of the average large city family advanced 0.8%. Cotton clothing and shoes were considerably higher in some cities. The effect of these increases was partly offset by the lower prices for men's and women's winter coats and suits featured in January sales. However, January sales this year were not as general as they have been in past years nor were the markdowns as large. Consumer purchases of clothing, particularly woolen clothing. in January were larger than usual at this season and many merchants reported difficulty in securing new stocks. Percentage changes since September, 1939, in some of the more important clothing articles are shown in the accompanying table.

Housefurnishings

The cost of housefurnishings during the month advanced 0.9% and these costs in mid-January were almost 17% higher than a year earlier. Of the commodities included in the Bureau's index of the cost of housefurnishings, prices for electric refrigerators, mattrasses, suites of furniture, washing machines and rugs show the largest advances between mid-December and mid-January. Since Jan. 15 a ceiling has been placed on prices of electric refrigerators by the Office of Price Administration, and the stocks available for civilian use are limited.

January white sales lowered sheet prices in 15 of the 21 cities between mid-December and mid-January, but some stores did not make the price reductions in household cottons usual in January, and average discounts were not as large as in the past. The following table summarizes the changes that have occurred in the prices of housefurnishings since September, 1939.

PERCENTAGE CHANGES IN AVERAGE PRICES PAID FOR SPECIFIED ARTICLES OF CLOTHING AND HOUSEFURNISHINGS BY WAGE EARNERS AND LOWER-SALARIED WORKERS

(34 Large Cities in the United States)

Items	Percentage Changes: Dec. 15, 1941 to Jan. 15, 1942	Jan. 15, 1941 to Jan. 15, 1942	Sept. 15, 1939 to Jan. 15, 1942
Men's Clothing:			
Topcoats	+2.5	+15.0	+12.8
Suits, wool	+0.4	+15.3	+15.8
Work trousers, cotton	+2.3	+22.4	+25.5
Overalls, cotton	+3.1	+29.0	+35.6
Work shirts, cotton	+2.6	+32.5	+37.6
Business shirts	+4.7	+16.9	+18.0
Street shoes	+1.9	+14.0	+18.8
Work shoes	+2.3	+18.0	+22.3
Women's Clothing:			
*Dress coats, fur trim	—7.6	+16.4	+ 3.5
*Sport coats	—5.7	+ 9.6	+ 0.9
Rayon panties	+3.1	+17.6	+18.1
Percale dresses	+4.2	+44.2	+51.7
Silk hose	+1.3	+20.8	+20.2
Shoes	+1.9	+ 9.2	+ 9.3
Housefurnsihings:			
Living room suites, inexp. quality	+1.3	+31.4	+38.5
Bedroom suites, medium quality	+1.1	+20.8	+23.2
Electric refrigerators	+2.3	+14.9	— 5.0
Washing machines	+1.0	+18.3	+19.0
Rugs, Axminsters	+0.9	+ 8.4	+20.3
Mattresses	+2.2	+21.3	+23.0
*Sheets, 64 x 64	—3.2	+39.2	+31.2

*January sale prices.

Rents

As usual in mid-winter, rents paid by families of moderate income in 21 large cities changed very little, on the average. The largest increase, 0.8%, was reported from Baltimore where employment in the airplane plants and the shipyards continues to increase. Scattered decreases in rents in New York caused the rent index for that city to drop 0.1%. The 0.6% decrease in rents in Washington reflected the enforcement of the new rent control bill in that city, which became effective on January 1, 1942, limiting rentals in Washington to their level of Jan. 1, 1941.

Fuel, Electricity and Ice

The cost of fuel, electricity and ice, averaged, in large cities, an increase of only 0.1%. Although a few cities reported slightly higher prices for coal, the Dec. 15 price levels prevailed in most cities. Wood prices were reported higher in 10 of the 16 cities covered in which wood forms an important part of fuel costs. This, to a large extent, accounted for the 4.5% increases in fuel, electricity and ice costs in Portland, Ore.

Miscellaneous

Increases in prices for used cars and for used, recapped and retreaded tires, contributed to the higher cost of miscellaneous goods and services. Soap prices rose in 12 cities and charges for laundry services were higher in seven. In addition, the cost of admissions to movies was higher in Buffalo and San Francisco. In Washington a one cent increase in the gasoline tax caused a rise in the cost of gasoline.

TABLE 1

PERCENTAGE CHANGE FROM DEC. 15, 1941 TO JAN. 15, 1942 IN THE COST OF GOODS PURCHASED BY WAGE EARNERS AND LOWER-SALARIED WORKERS IN LARGE CITIES OF THE UNITED STATES BY GROUPS OF ITEMS

Area and City	All items	Food	Clothing	Rent	Fuel, electricity and ice	House-furnishings	Miscellaneous
Average: Large Cities	+1.3	*+2.7	+0.8	+0.2	†+0.1	+0.9	+0.6
New England:							
Boston	+1.1	+2.3	+0.6	+0.5	‡	+0.9	+0.5
Middle Atlantic:							
Buffalo	+1.4	+2.6	+1.7	+0.3	+0.1	+0.4	+1.1
New York	+1.3	+2.6	+1.5	—0.1	+0.2	+0.6	+0.6
Philadelphia	+1.6	+3.7	—0.4	+0.4	+0.1	+2.1	+0.5
Pittsburgh	+1.0	+2.8	—0.3	‡	‡	+0.2	+0.4
East North Central:							
Chicago	+1.2	+2.7	+0.4	+0.1	+0.1	+1.2	+0.4
Cincinnati	+1.1	+2.8	+0.3	+0.1	‡	+0.1	+0.1
Cleveland	+1.1	+2.4	+0.8	‡	‡	+1.3	+0.6
Detroit	+1.6	+3.7	+0.3	+0.7	+0.4	‡	+1.0
West North Central:							
Kansas City	+0.9	+2.3	—0.1	+0.6	‡	+0.6	+0.5
Minneapolis	+1.0	+2.7	+0.3	+0.1	‡	+1.3	+0.1
St. Louis	+1.1	+2.0	+1.4	‡	+0.1	+1.8	+0.5
South Atlantic:							
Baltimore	+1.3	+2.5	+1.7	+0.8	‡	+1.1	+0.3
Savannah	+0.9	+2.6	—1.3	+0.2	+0.6	+0.1	+0.2
Washington, D. C.	+1.1	+2.6	+0.9	—0.6	+0.5	+0.3	+0.8
East South Central:							
Birmingham	+1.1	+2.9	—0.7	+0.3	+0.1	+1.6	+0.4
West South Central:							
Houston	+0.9	+1.9	+0.8	‡	‡	+1.7	+0.5
Mountain:							
Denver	+1.6	+4.0	+0.7	‡	‡	+1.0	+0.5
Pacific:							
Los Angeles	+1.0	+1.7	+1.6	+0.1	‡	+0.4	+0.5
San Francisco	+2.2	+4.6	+3.3	+0.3	‡	+0.6	+0.7
Seattle	+1.7	+3.9	+0.8	+0.3	+1.2	+1.2	+0.4

*Based on data for 51 cities. †Based on data for 34 cities. ‡No change.

TABLE 2

INDEXES OF THE COST OF GOODS PURCHASED BY WAGE EARNERS AND LOWER-SALARIED WORKERS IN LARGE CITIES OF THE UNITED STATES BY GROUPS OF ITEMS, JAN. 19, 1942

(Average 1935-39=100)

Area and City	All items	Food	Clothing	Rent	Fuel, electricity and ice	House-furnishings	Miscellaneous
Average: Large Cities	111.9	*116.2	115.7	108.4	†104.2	117.8	108.3
New England:							
Boston							
Middle Atlantic:	109.4	112.6	113.2	104.2	110.4	115.2	105.8
Buffalo	114.9	113.0	114.0	114.7	103.3	120.8	113.2
New York	110.1	115.4	113.0	102.9	103.5	111.9	108.1
Philadelphia	110.5	113.9	113.5	106.0	103.4	117.4	108.3
Pittsburgh	111.9	116.9	117.5	107.0	106.7	118.0	107.1
East North Central:							
Chicago	111.9	116.2	112.6	112.5	103.4	116.3	106.9
Cincinnati	111.5	115.8	116.6	104.1	102.6	123.9	107.7
Cleveland	114.6	117.8	119.8	116.4	112.0	121.6	107.3
Detroit	114.5	115.5	116.9	118.4	106.7	117.2	111.2
West North Central:							
Kansas City	109.7	112.2	113.6	108.1	102.8	113.3	107.8
Minneapolis	111.8	114.9	115.7	109.1	98.8	120.3	111.1
St. Louis	111.8	119.8	118.3	104.2	106.3	113.5	105.4
South Atlantic:							
Baltimore	113.9	119.0	116.6	113.2	103.5	124.3	107.0
Savannah	114.9	121.2	117.7	113.8	102.4	116.1	109.4
Washington, D. C.	110.9	116.4	121.5	100.7	102.1	124.9	108.5
East South Central:							
Birmingham	115.1	115.2	120.1	129.5	100.1	118.0	108.8
West South Central:							
Houston	112.4	120.1	119.4	107.4	93.9	120.8	107.0
Mountain:							
Denver	111.2	116.4	113.7	108.4	98.2	117.1	108.0
Pacific:							
Los Angeles	113.4	120.6	118.5	108.6	94.2	115.8	108.1
San Francisco	113.8	120.7	118.8	105.6	92.9	116.5	111.2
Seattle	116.6	125.3	117.1	118.3	100.6	115.8	110.1

*Based on data for 51 cities. †Based on data for 34 cities.

Portland Cement Statistics For January, 1942

The portland cement industry in January, 1942, produced 12,429,000 barrels, shipped 9,120,000 barrels from the mills, and had in stock at the end of the month 23,245,000 barrels, according to the Bureau of Mines, U. S. Department of Interior. Production and shipments of portland cement in January, 1942, showed increases of 37.8 and 14.2%, respectively, as compared with January, 1941. Portland cement stocks at mills were 4.8% lower than a year ago. The factory value of the shipments from the mills in 1941—167,508,000 barrels—is estimated as $247,449,000, representing an average value of $1.48 per barrel. According to the reports of producers the shipments totals for 1941 include approximately 6,083,000 barrels of high-early-strength portland cement with an estimated mill value of $11,411,000.

The statistics given below are compiled from reports for January, received by the Bureau of Mines from all manufacturing plants.

PRODUCTION, SHIPMENTS AND STOCKS OF FINISHED PORTLAND CEMENT, BY DISTRICTS, IN JANUARY, 1941 AND 1942 (IN THOUSANDS OF BARRELS)

District	—Production— 1941	1942	—Shipments— 1941	1942	Stocks at end of month 1941	1942
Eastern Pa., N. J. & Md.	1,555	2,390	1,389	1,614	4,331	4,499
New York & Maine	631	850	526	542	2,038	2,159
Ohio, Western Pa. & W. Va.	601	992	534	595	2,708	2,837
Michigan	533	496	340	248	2,226	1,947
Wis., Ill., Ind. & Ky.	1,152	1,265	612	626	2,668	2,241
Va., Tenn., Ala., Ga., La., & Fla.	1,496	1,687	1,442	1,442	1,568	1,349
Eastern Mo., Ia., Minn. & S. Dak.	426	843	325	404	3,121	2,849
W. Mo., Nebr., Kans., Okla. & Ark.	464	835	435	765	2,145	1,903
Texas	654	850	793	847	764	742
Colo., Mont., Utah, Wyo. & Idaho	121	181	123	94	611	623
California	1,266	1,742	1,243	1,707	1,633	1,408
Oregon & Washington	88	251	190	193	598	678
Puerto Rico	34	47	32	43	5	4
Total	9,021	12,429	7,984	9,120	24,416	23,245

*Revised.

SUMMARY OF STATISTICS OF THE FINISHED PORTLAND CEMENT INDUSTRY IN THE UNITED STATES AND PUERTO RICO (IN THOUSANDS OF BARRELS) BY MONTHS

	No. of plants 1941	1942	Shipments 1941	1942	Production 1941	1942	Stocks at end of month 1941	1942
January	156	156	7,984	9,120	9,021	12,429	24,416	23,245
February	156	----	7,456	----	8,345	----	25,307	----
March	156	----	9,915	----	10,596	----	25,988	----
April	156	----	14,132	----	12,196	----	24,056	----
May	156	----	16,048	----	14,732	----	22,745	----
June	156	----	16,109	----	15,223	----	21,865	----
July	157	----	16,687	----	16,000	----	21,178	----
August	157	----	17,825	----	16,345	----	19,732	----
September	157	----	18,284	----	16,115	----	17,561	----
October	157	----	17,833	----	16,688	----	16,417	----
November	157	----	13,724	----	14,931	----	17,638	----
December	157	----	11,511	----	13,810	----	*19,936	----

*Revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	*Orders Received Tons*	*Production Tons*	*Unfilled Orders Remaining Tons*	*Percent of Activity Current*	*Cumulative*
1941—Month of—					
January	673,446	629,863	202,417	75	--
February	608,521	548,579	261,650	81	--
March	652,128	571,050	337,022	82	--
April	857,732	726,460	447,525	83	--
May	656,437	602,323	488,993	84	--
June	634,684	608,995	509,231	88	--
July	509,231	807,440	737,420	86	--
August	659,722	649,031	576,529	94	--
September	642,879	630,524	578,402	94	--
October	839,272	831,991	568,264	99	--
November	640,188	649,021	554,417	98	--
December	743,637	760,775	530,459	93	--
1942—Month of—					
January	673,122	668,230	528,698	102	--
1941—Week Ended—					
Aug. 2	159,844	159,272	572,635	93	83
Aug. 9	174,815	159,894	587,498	91	83
Aug. 16	169,472	162,889	592,840	92	83
Aug. 23	158,403	162,964	584,484	94	83
Aug. 30	157,032	163,284	576,529	97	84
Sept. 6	147,086	133,031	591,414	80	84
Sept. 13	164,057	166,781	589,770	98	84
Sept. 20	176,263	166,797	583,716	99	84
Sept. 27	155,473	163,915	578,402	98	85
Oct. 4	176,619	168,256	582,287	100	85
Oct. 11	159,337	164,374	575,627	99	85
Oct. 18	167,440	165,795	574,991	98	86
Oct. 25	165,279	168,146	568,161	100	86
Nov. 1	170,597	165,420	568,264	99	86
Nov. 8	169,585	159,860	576,923	97	86
Nov. 15	156,394	165,397	570,430	99	87
Nov. 22	145,098	160,889	550,383	96	87
Nov. 29	169,111	164,875	554,417	101	87
Dec. 6	181,185	166,080	567,373	102	87
Dec. 13	149,021	163,226	553,389	101	88
Dec. 20	149,874	166,948	535,556	101	88
Dec. 27	116,138	124,258	523,119	76	88
1942—Week Ended—					
Jan. 3	147,419	140,263	530,549	86	88
Jan. 10	162,493	166,095	527,514	101	--
Jan. 17	167,846	165,360	525,088	102	102
Jan. 24	161,713	169,735	514,622	101	102
Jan. 31	181,070	167,040	528,698	101	102
Feb. 7	162,894	168,424	522,320	101	102
Feb. 14	156,745	167,424	510,542	101	102
Feb. 21	157,563	165,240	496,272	102	102

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled stock, and other items made necessary adjustments of unfilled orders.

January Department Store Sales 38% Above Year Ago, Federal Reserve Board Reports

The Board of Governors of the Federal Reserve System announced on Feb. 23 that the dollar volume of January department store sales for the country as a whole was 38% larger than in the corresponding period a year ago. This compares with an increase of 15% for December and a gain of 17% for the full year 1941 over the same periods of 1940. These figures are based on reports received from each of the 12 Federal Reserve Districts. The following tables, issued by the Board, show the percentage changes from a year ago for the whole country, for Federal Reserve Districts and for leading cities:

DEPARTMENT STORE SALES IN JANUARY 1942

Report by Federal Reserve Districts

Federal Reserve District—	% Change from corresponding period a year ago Jan. 1942	†Dec. 1941	Year 1941
No. 1 (Boston)	+42	+14	+16
No. 2 (New York)	+35	+10	+13
No. 3 (Philadelphia)	+45	*+17	+16
No. 4 (Cleveland)	+49	+17	+20
No. 5 (Richmond)	+46	+18	+20
No. 6 (Atlanta)	+27	+16	+18
No. 7 (Chicago)	+38	+14	+16
No. 8 (St. Louis)	+39	+20	+21
No. 9 (Minneapolis)	+31	+15	+11
No. 10 (Kansas City)	+37	+17	+15
No. 11 (Dallas)	+29	+17	+18
No. 12 (San Francisco)	+32	+15	+18
U. S. total	+38	+15	+17

*Revised. †December had one more business day this year than last year.

Department store sales index for January 1942 (1923-25 average=100) adjusted 138, unadjusted 108. December adjusted 111, unadjusted revised 197.

REPORT BY CITIES

Percentage Change from Corresponding Period a Year Ago

	Jan. 1942	Dec. 1941	Year 1941
Boston District			
New Haven, Conn.	+34	+15	+16
Portland, Maine	+56	+28	+22
Boston, Mass.	+39	+8	+12
Springfield, Mass.	+49	+19	+20
Providence, R. I.	+43	+17	+18
New York District			
Bridgeport, Conn.	+42	+17	+25
Newark, N. J.	+37	+11	+12
Albany, N. Y.	+41	+12	+14
Binghamton, N.Y.	+52	+18	+24
Buffalo, N. Y.	+51	+20	+24
Elmira, N. Y.	+56	+35	+34
Niagara Falls, N. Y.	+59	*+33	*+20
New York City	+31	+7	+10
Poughkeepsie, N. Y.	+47	+15	+14
Rochester, N. Y.	+40	+16	+16
Syracuse, N. Y.	+46	+20	+21
Philadelphia District			
Trenton, N. J.	+48	*+15	+15
Lancaster, Pa.	+52	*+24	+19
Philadelphia, Pa.	+43	+15	+16
Reading, Pa.	+60	+21	+18
Wilkes-Barre, Pa.	+42	+19	+17
York, Pa.	+62	+21	+17
Cleveland District			
Akron, Ohio	+60	+21	+28
Cincinnati, Ohio	+42	+13	+16
Cleveland, Ohio	+49	+20	+22
Columbus, Ohio	+44	+14	+16
Toledo, Ohio	+46	+15	+17
Youngstown, Ohio	+44	+16	+23
Erie, Pa.	+56	+24	+26
Pittsburgh, Pa.	+50	+13	+16
Wheeling, W. Va.	+54	+17	+23
Richmond District			
Washington, D. C.	+53	+17	+20
Baltimore, Md.	+44	+19	+20
Winston-Salem, N. C.	+30	+8	+12
Charleston, S. C.	+67	+27	+35
Lynchburg, Va.	+39	+15	+15
Norfolk, Va.	+56	+28	+38
Richmond, Va.	+37	+14	+14
Charleston, W. Va.	+39	+18	+22
Huntington, W. Va.	+42	+13	+19
Atlanta District			
Birmingham, Ala.	+57	+35	+26
Montgomery, Ala.	+40	+15	+15
Jacksonville, Fla.	+23	+16	+25
Tampa, Fla.	+27	+14	+20
Atlanta, Ga.	+23	+13	+17
Macon, Ga.	+38	+24	+25
Baton Rouge, La.	†	+15	+14
New Orleans, La.	+32	+14	+16
Jackson, Miss.	+52	+23	+22
Chattanooga, Tenn.	+47	+26	+23
Knoxville, Tenn.	+47	+18	+20
Nashville, Tenn.	+28	+13	+19
Chicago District			
Chicago, Ill.	+33	+10	+10
Peoria, Ill.	+33	+14	+14
Fort Wayne, Ind.	+60	+28	+27
Indianapolis, Ind.	+40	+18	+19
Des Moines, Iowa	+39	+22	+13
Sioux City, Iowa	+22	+13	+11
Detroit, Mich.	+45	+14	+21
Flint, Mich.	+14	—2	+16
Grand Rapids, Mich.	+48	+13	+15
Lansing, Mich.	+43	+11	+22
Milwaukee, Wis.	+40	+18	+21
St. Louis District			
Fort Smith, Ark.	+57	+36	+20
Little Rock, Ark.	+24	+18	+24
Quincy, Ill.	+47	+19	+14
Evansville, Ind.	+46	+16	+14
Louisville, Ky.	+28	+15	+31
St. Louis, Mo.	+43	+20	+17
Springfield, Mo.	+30	+26	+33
Memphis, Tenn.	+38	+23	+21
Minneapolis District (Figures by cities not available for publication)			
Kansas City District			
Denver, Colo.	+33	+14	+16
Hutchinson, Kans.	+40	+16	+16
Topeka, Kans.	+30	+8	+10
Wichita, Kans.	+50	+30	+23
Kan. City., Kan. & Mo.	+45	+14	+15
Joplin, Mo.	†	+40	+25
St. Joseph, Mo.	+43	+7	+8
Omaha, Nebr.	+39	+22	+14
Oklahoma City, Okla.	+19	+15	+15
Tulsa, Okla.	+43	+26	+17
Dallas District			
Shreveport, La.	+44	+23	+21
Dallas, Tex.	+19	+12	+16
Fort Worth, Tex.	+44	+18	+19
Houston, Tex.	+34	+17	+16
San Antonio, Tex.	+36	+23	+24
San Francisco District			
Phoenix, Ariz.	+46	+28	+29
Bakersfield, Calif.	+21	+4	+6
Fresno, Calif.	+27	+9	+11
Long Beach, Calif.	+50	+30	+31
Los Angeles, Calif.	+27	+12	+16
Oakland & Berkeley	+41	+14	+14
Sacramento, Calif.	+32	+14	+14
San Diego, Calif.	+44	+21	+32
San Francisco, Calif.	+16	—3	+11
San Jose, Calif.	+26	+4	+6
Santa Rosa, Calif.	+35	+14	+13
Stockton, Calif.	+27	+16	+11
Vallejo & Napa, Calif.	+71	+37	+41
Boise & Nampa, Idaho	+45	+23	+14
Portland, Ore.	+38	+29	+23
Salt Lake City, Utah	+43	+20	+19
Bellingham, Wash.	+41	+23	+15
Everett, Wash.	+33	+24	+27
Seattle, Wash.	+59	+28	+30
Spokane, Wash.	+28	+15	+16
Tacoma, Wash.	+35	+20	+32
Walla Walla, Wash.	+34	+13	+4
Yakima, Wash.	+21	+18	+9

*Revised. †Not available.

Subscription and Allotment Figures On Recent Treasury Bond Offering

Secretary of the Treasury Morgenthau announced on Feb. 24 that there was a total of $4,696,698,550 subscribed to the offering of $1,500,000,000 of 2¼% Treasury Bonds of 1952-55. Total subscriptions allotted amounted to $1,512,334,200. Subscriptions for $5,000 or less where the subscribers specified that delivery be made in registered bonds 90 days after the issue date were allotted in full and amounted to $13,858,700. The offering, made on Feb. 13, was described in these columns of Feb. 19, page 764.

Subscriptions and allotments were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District	Total Subscriptions Received	Total Subscriptions Allotted
Boston	$421,663,350	$135,224,800
New York	2,132,610,450	684,191,300
Philadelphia	306,370,700	98,824,400
Cleveland	312,431,500	100,284,750
Richmond	205,568,150	66,374,400
Atlanta	178,212,050	57,424,700
Chicago	499,427,950	161,412,650
St. Louis	130,102,400	42,910,250
Minneapolis	68,152,600	22,677,800
Kansas City	87,987,050	29,106,450
Dallas	101,830,600	32,855,300
San Francisco	251,120,850	80,655,800
Treasury	1,220,900	391,600
Total	$4,696,698,550	$1,512,334,200

Lend-Lease Aid Tripled

During the first eight and one-half months of the lend-lease program such aid had averaged $141,000,000 monthly but in December it amounted to $338,000,000 and in January it was $462,000,000. This was revealed on Feb. 24 by the Senate Appropriations Committee, in making public testimony given by Edward R. Stettinius, Jr., Administrator of Lend-Lease. Regarding his further disclosures, Associated Press, Washington advices said:

> From March to the end of November, lease-lend aid totaled $1,202,000,000, and by the end of January had reached more than $2,000,000,000 and was still climbing at an accelerated pace, Mr. Stettinius reported.
>
> "This increase must and will continue," Mr. Stettinius said in asking that $5,330,000,000 in direct lease-lend funds voted by the House, plus an additional $95,000,000, be incorporated in the pending $32,762,737,900 supplemental defense appropriation.
>
> Mr. Stettinius said that the requested new appropriation was to meet lease-lend requirements for 1942, exclusive of material provided for in the army and navy appropriations.

On Feb. 17 the House Appropriations Committee sent to Congress a report showing that virtually all the $12,985,000,000 previously appropriated for lend-lease had been allocated but that "aid rendered" totaled only about $2,000,000,000 on Jan. 31. This report prepared by lend-lease officials while not showing a detailed breaddown indicating how the money had actually been spent contained however the following statistics, according to the Associated Press:

> Allocations by categories:
>
> Ordnance, $2,146,000,000; aircraft, $2,832,000,000; tanks and vehicles, $934,000,000; vessels, $1,572,000,000; miscellaneous military equipment, $454,000,000; production facilities, $1,007,000,000; agricultural and industrial commodities, $2,523,000,000; servicing and repair of ships, $297,000,000; services and expenses, $267,000,000; administrative expenses, $8,000,000.
>
> Total lend-lease aid:
>
> Defense articles transferred, $1,148,000,000; articles awaiting transfer or use, $313,000,000; articles in process of manufacture, $122,000,000; servicing and repair of ships, $113,000,000; production facilities in United States, $141,000,000; miscellaneous expenses, $3,000,000; rental and charter of ships, $161,000,000.
>
> Quantities of non-military goods transferred to Jan. 31:
>
> Meat and fish products, 677,058,655 pounds; milk products, 523,364,224 pounds; egg products, 113,144,914 pounds; fruits and vegetables, 735,289,322 pounds; grain and cereal products, 910,952,952 pounds; sugar and related products, 7,616,400 pounds; cotton linters, 29,913,068 pounds; raw cotton, 473,345 bales; leaf tobacco, 131,768 hogsheads; petroleum products, 40,959,056 barrels; fertilizers, 471,940 tons; iron and steel, 1,501,466 tons; non-ferrous metals, 73,209 tons. (The last three figures were as of Dec. 15, 1941.)

1941 Cotton Loans

The Department of Agriculture reported that Commodity Credit Corporation had made 1,094,670 loans on 2,103,161 bales of 1941 crop cotton through Feb. 21, 1942. Approximately 109,880 loans on 405,260 bales were made by co-operative associations. A total of 114,194 loans were repaid on 246,015 bales, leaving outstanding 980,476 loans on 1,857,146 bales.

OPA Raises Tire Quota

Tire and tube quotas for March are substantially larger than those provided for rationing to eligible vehicles in the preceding month, it was announced by Price Administrator Leon Henderson.

For List A passenger cars, light trucks, and motorcycles, the March quotas provide a total of 104,701 new tires and 87,635 new tubes, against 80,784 new tires and 67,616 new tubes for these vehicles in February, Mr. Henderson explained. The March quotas for List A trucks, buses, farm equipment and other heavy vehicles total 256,385 new tires and 288,149 new tubes, compared with 156,029 new tires and 267,562 new tubes in the previous month, he added.

Retreaded and recapped tires available for rationing in March to eligible trucks, buses, farm equipment and other heavy vehicles aggregate 110,225, the Price Administrator stated, adding that there is no fair comparison of this figure with February, since rationing of truck retreads did not begin until the 19th of that month and the first quota covered only nine days. The march quotas apply to the 48 States, the District of Columbia, and U. S. territories: Alaska, Hawaii, Panama Canal Zone, Puerto Rico and the Virgin Islands. Mr. Henderson's announcement continued:

> No retreaded passenger car tires will be available for rationing in March, since the War Production Board has not authorized the manufacture of passenger car camelback during that month. This means that only new passenger car tires and tubes will be rationed during March and their sale will be restricted to vehicles on List A of the eligibility classifications. Hence, for another month, at least, no passenger car on List B of the eligibility classifications will be able to get a retreaded tire. However, trucks qualifying under List B can apply for retreaded or recapped tires between March 1 and March 20, but the local rationing boards are not empowered to issue retread purchase certificates for List B trucks out of March quotas until March 25 and then only if the needs of List A truck eligibles have been satisfied.

The increase in March quotas over those of February is seasonal and reflects subsidence of severe winter weather that tends to make motor transportation difficult in many sections of the country.

State and national reserves have been deducted from the published quotas for March in the same manner as in the two preceding months. The national reserve is, in effect, a pool that permits OPA to make adjustments between States and territories, while the State reserves are used for the same purpose among counties at the discretion of the State rationing administrators.

Rationing of retreaded tires was reported in our issue of Feb. 19, page 763.

Pernambuco Interest

Holders of State of Pernambuco (United States of Brazil) 7% external sinking fund loan due March 1, 1947, are being notified that interest due Sept. 1, 1939, will be paid beginning March 2 at the rate of $4.66375 per $35 coupon, upon presentation to White, Weld & Co., special agents, 40 Wall St., New York. Unpaid interest coupons on this issue, namely those maturing from Sept. 1, 1931, to March 1, 1934, inclusive, and Sept. 1, 1937, must remain attached to the bonds for future adjustment in accordance with the Decree of the Federal Government of Brazil dated Feb. 5, 1934, and modified March 8, 1940.

Weekly Coal and Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest coal report stated that production of soft coal continues to show little change. The total output in the week ended Feb. 21 is estimated at 11,000,000 net tons, as against 10,900,000 tons in the preceding week. Production in the corresponding week last year amounted to 10,414,000 tons.

The U. S. Bureau of Mines reported that the production of Pennsylvania anthracite for the week ended Feb. 21 was estimated at 1,159,000 tons, a decrease of 9,000 tons (less than 1%) from the preceding week. When compared with the output in the corresponding week of 1941, there was an increase of 22%.

ESTIMATED UNITED STATES PRODUCTION OF SOFT COAL IN NET TONS, WITH COMPARABLE DATA ON PRODUCTION OF CRUDE PETROLEUM

	Week Ended			Jan. 1 to date		
	Feb. 21, 1942	Feb. 14, ‡1942	Feb. 22, 1941	Feb. 21, §1942	Feb. 22, 1941	Feb. 20, 1937
*Bituminous coal—						
Total, including mine fuel	11,000,000	10,900,000	10,414,000	81,534,000	75,805,000	72,751,000
Daily average	1,833,000	1,817,000	1,736,000	1,853,000	1,685,000	1,692,000
†Crude petroleum—						
Coal equivalent of weekly output	6,530,000	6,533,000	5,814,000	49,605,000	43,723,000	37,714,000

*Includes for purposes of historical comparison and statistical convenience the production of lignite. †Total barrels produced during the week converted into equivalent-coal assuming 6,000,000 B.t.u. per barrel of oil and 13,100 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, 1939, page 702.) ‡Revised. §Subject to current adjustment.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND BEEHIVE COKE (IN NET TONS)

	Week Ended			Calendar year to date		
	Feb. 21, 1942	Feb. 14, 1942	Feb. 22, 1941	Feb. 21, 1942	Feb. 22, 1941	Feb. 23, 1929
Penn. anthracite—						
*Total, including colliery fuel	1,159,000	1,168,000	948,000	8,009,000	8,357,000	12,429,000
†Comm'l production	1,101,000	1,110,000	901,000	7,609,000	7,939,000	11,534,000
Beehive coke—						
United States total	140,900	161,000	124,300	1,099,900	909,700	900,600
Daily average	20,129	23,000	12,757	21,152	17,164	16,678

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES

[In Thousands of Net Tons]

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Feb. average
State—	Feb. 14, 1942	Feb. 7, 1942	Feb. 15, 1941	Feb. 17, 1940	Feb. 13, 1937	¶1923
Alaska	2	3	4	2	2	**
Alabama	382	382	347	315	304	409
Arkansas and Oklahoma	63	75	79	76	100	87
Colorado	160	170	140	158	206	231
Georgia & North Carolina	1	2	1	2	1	**
Illinois	1,350	1,366	1,211	1,175	1,407	1,993
Indiana	544	496	469	462	483	613
Iowa	84	80	56	69	125	136
Kansas and Missouri	190	175	175	178	204	174
Kentucky—Eastern	750	748	845	830	629	556
Kentucky—Western	285	276	241	208	63	226
Maryland	40	39	39	38	41	51
Michigan	7	7	15	16	18	26
Montana	75	80	69	55	77	80
New Mexico	30	30	26	27	46	58
North & South Dakota	50	57	55	47	79	37
Ohio	644	655	569	419	625	694
Pennsylvania bituminous	2,700	2,595	2,635	1,954	2,652	3,087
Tennessee	145	138	146	136	119	127
Texas	10	10	8	19	15	23
Utah	80	88	75	66	117	96
Virginia	380	368	329	301	294	212
Washington	34	32	36	30	56	77
*West Virginia—Southern	1,913	1,915	2,007	1,796	1,763	1,127
†West Virginia—Northern	835	816	715	603	715	673
Wyoming	146	156	123	110	164	156
‡Other Western States	††	1	1	1	††	7
Total bituminous coal	10,900	10,760	10,416	9,093	10,305	10,956
§Pennsylvania anthracite	1,168	1,150	1,217	832	1,028	1,902
Total, all coal	12,068	11,910	11,633	9,925	11,333	12,858

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada, and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "other Western States." ††Less than 1,000 tons.

January Building Permit Valuations Are 23% Below 1941

January building permit valuations were 23% lower than during the corresponding month of 1941, Secretary of Labor Frances Perkins reported on Feb. 28. "The decline was brought about by a decrease in indicated expenditures for new construction," she said. "There was a gain of 6% in permit valuations for additions, alterations and repairs. A decrease of 31% was shown in indicated expenditures for new residential buildings. This decrease resulted both from priority restrictions on materials for residential buildings and from lower average costs of the dwellings erected. Permit valuations for new non-residential buildings showed a decline of 23%. The lower level of non-residential building activity was caused by a decline in privately financed construction. Federal expenditures for new non-residential buildings showed a gain in January as compared to the same month of 1941," Miss Perkins stated; she added:

> Permit valuations for January registered a decline of 18% as compared with December. This decline was also caused by a falling off in indicated expenditures for new construction. The decreases amounted to 13% for new residential buildings and 30% for new non-residential buildings. There was an increase of 8% in indicated expenditures for additions, alterations and repairs between December and January.

The Labor Department's announcement goes on to state:

> The Bureau's tabulations include contracts awarded by Federal and State Governments in addition to private and municipal construction. For January, 1942, Federal and State construction in the 2,582 reporting cities totaled $44,321,000; for December, 1941, $66,642,000, and for January, 1941, $43,986,000.

Changes in permit valuations in the 2,582 reporting cities between January, 1942, January, 1941, and December, 1941, are summarized below:

	Change from Jan. 1941 to Jan. 1942	
Class of construction	All cities	Excluding N. Y. City
New residential	—31.4%	—20.8%
New non-residential	—22.6%	—20.6%
Additions, alterations, and repairs	+ 5.6%	+17.5%
All construction	—23.2%	—16.1%

	Change from Dec. 1941 to Jan. 1942	
Class of construction	All cities	Excluding N. Y. City
New residential	—12.7%	—11.2%
New non-residenital	—29.6%	—21.3%
Additions, alterations, and repairs	+ 8.4%	+16.6%
All constructions	—17.9%	—17.9%

New housekeeping dwellings for which permits were issued in the 2,582 reporting cities in January, 1942, will provide 17,720 dwelling units, which is 1% higher than the 17,594 dwelling units reported in December, 1941, and 29% less than the number provided in January, 1941. Dwelling units in publicly financed housing projects included in these totals numbered 2,876 in January, 1942, 2,240 in December, 1941, and 2,609 in January, 1941.

Principal centers of various types of building construction for which permits were issued or contracts were awarded in January, 1942, except those awarded by the War and Navy Departments and the Defense Plant Corporation which have been excluded because of their confidential nature, were: Kearney, N. J., a factory to cost $300,000; Philadelphia, Pa., one-family dwellings to cost $1,166,000; Chicago, Ill., one-family dwellings to cost $1,414,000, factories to cost $495,000, and stores to cost $442,000; Joliet, Ill., a factory to cost $615,000; Decatur, Ind., a factory to cost $450,000; Dearborn, Mich., factories to cost $2,904,000; Cincinnati, Ohio, one-family dwellings to cost $319,000; Cleveland, Ohio, one-family dwellings to cost $672,000, factories to cost $758,000, and office buildings to cost $393,000; Columbus, Ohio, one-family dwellings to cost $411,050; Washington, D. C., multi-family dwellings to cost $1,104,000, and a power station to cost $700,000; Baltimore County, Md., Dist. No. 12, one-family dwellings to cost $517,000; Arlington County, Va., one-family dwellings to cost $386,000; Norfolk, Va., one-family dwellings to cost $363,000; Memphis, Tenn., one-family dwellings to cost $312,000; Dallas, Tex., an office building to cost $1,728,000; El Paso, Tex., schools to cost $328,000; Fort Worth, Tex., one-family dwellings to cost $369,000; Houston, Tex., one-family dwellings to cost $1,164,000; San Antonio, Tex., one-family dwellings to cost $455,000; Burbank, Calif., factories to cost $622,000; Long Beach, Calif., one-family dwellings to cost $491,000; Los Angeles, Calif., one-family dwellings to cost $1,923,000, and multi-family dwellings to cost $762,000; Oakland, Calif., one-family dwellings to cost $311,000; Sacramento, Calif., one-family dwellings to cost $406,000; San Diego, Calif., one-family dwellings to cost $572,000, and a school to cost $316,000; San Francisco, Calif., one-family dwellings to cost $572,000; Santa Monica, Calif., factories to cost $381,000; and Seattle, Wash., one-family dwellings to cost $572,000.

Contracts were awarded during January for the following publicly financed housing projects containing the indicated number of dwelling units: Manchester, N. H., $370,000 for 85 units; Burlington, N. J., $351,000 for 90 units; Pittsburgh, Pa., $1,087,000 for 282 units; Chicago, Ill., $2,337,000 for 834 units; Fort Wayne, Ind., $258,000 for 88 units; Mobile, Ala., $548,000 for 150 units; Sheffield, Ala., $643,000 for 160 units; Denver, Colo., $261,000 for 76 units; Los Angeles, Calif., $2,197,000 for 708 units; San Francisco, Calif., $625,000 for 136 units; Portland, Ore., $230,000 for 85 units; and Seattle, Wash., $516,000 for 178 units.

SUMMARY OF BUILDING CONSTRUCTION FOR WHICH PERMITS WERE ISSUED IN 2,582 CITIES, BY GEOGRAPHIC DIVISION, JANUARY 1942

	New Residential Buildings						
Geographic Division	No. of Cities Reporting	Permit Valuation Jan., 1942	% Change from Dec., 1941	% Change from Jan. 1941	No. of New Dwelling Units Jan., 1942	% Change from Dec., 1941	% Change from Jan. 1941
All divisions	2,582	$61,173,383	—12.7	—31.4	17,720	+ 0.7	—28.5
New England	147	3,524,140	—19.9	—19.8	797	—17.3	—22.2
Middle Atlantic	622	8,108,565	—18.6	—60.4	1,890	—18.0	—65.9
East North Central	576	15,518,332	—26.0	—16.4	3,530	—24.2	—10.7
West North Central	283	2,371,049	—26.8	—13.4	699	—20.5	— .3
South Atlantic	319	7,729,865	—34.9	—46.6	2,819	+20.8	—34.7
East South Central	103	2,497,449	+70.4	+11.7	1,046	+41.7	+15.5
West South Central	151	5,465,753	+14.2	—22.8	1,984	+17.4	—20.0
Mountain	134	1,479,877	—25.9	—10.3	526	—15.2	— 5.6
Pacific	247	14,478,353	+26.8	—17.8	4,429	+30.0	—16.7

	New Non-Residential Bldgs.			Total Building Construction (Includ. Alterations & Repairs)			
Geographic Division	Permit Valuation Jan., 1942	% Change from Dec., 1941	% Change from Jan., 1941	Permit Valuation Jan., 1942	% Change from Dec., 1941	% Change from Jan., 1941	Population (Census of 1940)
All divisions	$59,037,463	— 29.6	—22.6	$145,318,726	—17.9	—23.2	65,478,608
New England	4,762,455	— 55.9	+48.2	10,543,308	—40.6	+ 9.1	5,641,285
Middle Atlantic	8,995,603	— 66.1	—16.0	22,504,573	—47.9	—42.4	19,515,913
East North Central	13,324,766	— 13.9	—25.8	36,149,413	—13.8	—11.7	15,792,888
West North Central	1,197,235	— 70.9	— 5.7	4,526,703	—46.0	—16.5	4,987,393
South Atlantic	9,120,822	— 12.4	—32.8	20,057,545	—18.8	—34.3	5,999,197
East South Central	1,320,513	+ 20.7	—60.5	4,558,153	+37.9	—28.7	2,309,770
West South Central	2,984,606	+ 66.1	—70.6	9,613,898	+28.3	—47.5	3,752,672
Mountain	1,167,435	+160.0	—44.2	3,113,225	+ 9.9	—25.7	1,484,335
Pacific	16,164,028	+ 22.9	+15.5	34,251,908	+24.6	— 1.4	5,995,155

Fewer Strikes In January

Preliminary estimates indicate that there were 155 new strikes in January, involving approximately 32,500 workers with 390,000 man-days of idleness due to strikes in progress during the month, Secretary of Labor Perkins reported today. As compared with December, 1941, these figures represent decreases of 22% in man-days of idleness, 11% in number of strikes and 7% in number of workers.

There were about two-thirds as many strikes in January, 1942, as in January, 1941, but only one-third as many workers involved and the man-days of idleness decreased about 40%. In comparison with the 5-year period (1935-1939), strike activity in January showed 9% fewer strikes, 47% fewer workers involved and 60% less idleness.

The man-days of idleness during all strikes in January amounted to about 0.06% of the total time worked as compared with 0.08% in December.

THE ESTIMATES FOR JANUARY ARE SHOWN IN THE TABLE BELOW ALONG WITH FIGURES FOR OTHER PERIODS FOR COMPARISON

				Avgs. for 5-year period, 1935-39	
Item	Jan. *1942	Dec. *1941	Jan. 1941	Jan.	Dec.
No. of strikes beginning in month	155	175	236	170	127
No. of workers involved in new strikes	32,500	35,000	91,706	61,742	31,899
No. of man-days idle during all strikes in progress during month	390,000	500,000	662,770	1,012,665	859,534

*Preliminary estimates.

Trading On New York Exchanges

The Securities and Exchange Commission made public on March 2 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Feb. 14, 1942, continuing a series of current figures being published by the Commission. Short sales are shown separately from other sales in these figures, the Commission explained.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended Feb. 14 (in round-lot transactions) totaled 603,460 shares, which amount was 14.60% of total transactions on the Exchange of 2,065,240 shares. This compares with member trading during the previous week ended Feb. 7 of 670,180 shares, or 14.05% of total trading of 2,418,260 shares. On the New York Curb Exchange, member trading during the week ended Feb. 14 amounted to 102,930 shares, or 16.30% of the total volume on that Exchange of 315,760 shares; during the preceding week trading for the account of Curb members of 124,385 shares was 15.32% of total trading of 405,935 shares.

The Commission made available the following data for the week ended Feb. 14:

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total Number of Reports Received	1,042	749
1. Reports showing transactions as specialists	183	95
2. Reports showing other transactions initiated on the floor	132	25
3. Reports showing other transactions initiated off the floor	150	55
4. Reports showing no transactions	638	582

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

Week Ended Feb. 14, 1942

	Total For Week	Per Cent a
A. Total Round-Lot Sales:		
Short sales	65,410	
Other sales b	1,999,830	
Total sales	2,065,240	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	172,390	
Short sales	32,120	
Other sales b	140,630	
Total sales	172,750	8.35
2. Other transactions initiated on the floor—		
Total purchases	74,760	
Short sales	6,300	
Other sales b	68,550	
Total sales	74,850	3.62
3. Other transactions initiated off the floor—		
Total purchases	51,570	
Short sales	3,200	
Other sales b	53,940	
Total sales	57,140	2.63
4. Total—		
Total purchases	298,720	
Short sales	41,620	
Other sales b	263,120	
Total sales	304,740	14.60

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

Week Ended Feb. 14, 1942

	Total For Week	Per Cent a
A. Total Round-Lot Sales:		
Short sales	7,090	
Other sales b	308,670	
Total sales	315,760	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	27,850	
Short sales	4,140	
Other sales b	40,760	
Total sales	44,900	11.52
2. Other transactions initiated on the floor—		
Total purchases	4,150	
Short sales	200	
Other sales b	6,050	
Total sales	6,250	1.65
3. Other transactions initiated off the floor—		
Total purchases	6,875	
Short sales	2,050	
Other sales b	10,855	
Total sales	12,905	3.13
4. Total—		
Total purchases	38,875	
Short sales	6,390	
Other sales b	57,665	
Total sales	64,055	16.30
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	50	
Customers' other sales c	23,839	
Total purchases	23,889	
Total sales	15,541	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

c Sales marked "short exempt" are included with "other sales."

Labor Bureau's Wholesale Price Index Advanced 0.3% During Week Ended Feb. 21

The Bureau of Labor Statistics, U. S. Department of Labor, announced on Feb. 26 that except for continued general increases in agricultural commodity prices, primary commodity markets were comparatively steady during the week ended Feb. 21. With an advance of over 1% in farm product prices the Bureau's wholesale price index of nearly 900 price series rose 0.3% during the week to the highest level since 1929. Commodity prices have advanced 1% on the average in the past four weeks and are 20% above last year at this time.

The Bureau's announcement further stated:

> In addition to the increase of 1.2% for farm products; foods, mostly fruits and vegetables and meats, rose 0.9%. The indexes for textile products, housefurnishing goods and miscellaneous commodities also rose slightly, by 0.1%, during the week. With reduced prices for petroleum products in the mid-continent and California fields, fuel and lighting materials as a group declined 0.3%. Building materials prices were also down by 0.1%. Most other industrial markets were fairly steady.
>
> The sharp increase in farm product prices during the week brought the index for this group of commodities to the highest level since December, 1929. The rise was led by an increase of 2% in average prices for livestock and poultry, with hogs up more than 3% to the highest February level in 16 years. Live poultry in the New York market advanced nearly 15%. Grains were up more than 1% as a result of higher quotations for corn, oats and wheat. Prices for barley and rye, on the contrary, declined. Cotton advanced moderately, and substantially price increases were reported for hops and peanuts.
>
> Increases of over 3% for fruits and vegetables and nearly 2% for meats were largely responsible for the advance in foods prices as a group. Quotations for dairy products, for eggs, and for wheat flour declined slightly. Cattle feed prices continued to rise with an increase of 0.8% recorded for the week ended Feb. 21.
>
> Except for minor increases in prices for cotton hosiery and underwear and for rope, prices of textile products were comparatively steady.
>
> Prices for gasoline in certain areas declined during the week and lumber also averaged slightly lower.
>
> The following tables show (1) index numbers for the principal groups of commodities for the past three weeks, for Jan. 24, 1942, and Feb. 22, 1941, and the percentage changes from a week ago, a month ago, and a year ago; (2) percentage changes in subgroup indexes from Feb. 14 to Feb. 21, 1942.

(1926=100)

						Percentage changes to Feb. 21, 1942 from		
Commodity Groups—	2-21 1942	2-14 1942	2-7 1942	1-24 1942	2-22 1941	2-14 1942	1-24 1942	2-22 1941
All Commodities	96.5	96.2	95.7	95.5	80.4	+0.3	+1.0	+20.0
Farm products	101.9	100.7	100.1	100.3	70.2	+1.2	+1.6	+45.2
Foods	94.8	94.0	93.7	93.6	73.2	+0.9	+1.3	+29.5
Hides and leather products	116.1	116.1	115.8	115.7	101.9	0	+0.3	+13.9
Textile products	93.7	93.6	93.5	92.7	75.6	+0.1	+1.1	+23.9
Fuel and lighting materials	78.5	78.7	78.4	78.9	72.7	—0.3	—0.5	+8.0
Metals and metal products	103.6	103.6	103.6	103.6	97.9	0	0	+5.8
Building materials	109.7	109.8	109.4	109.5	99.3	—0.1	+0.2	+10.5
Chemicals and allied products	96.9	96.9	96.6	96.5	78.5	0	+0.4	+23.4
Housefurnishing goods	104.1	104.0	102.9	102.7	90.2	+0.1	+1.4	+15.4
Miscellaneous commodities	89.1	89.0	88.2	88.1	76.7	+0.1	+1.1	+16.2
Raw materials	97.2	96.4	95.9	95.5	73.7	+0.8	+1.8	+31.9
Semimanufactured articles	91.9	91.9	91.9	91.8	81.4	0	+0.1	+12.9
Manufactured products	97.1	96.9	96.3	96.3	83.7	+0.2	+0.8	+16.0
All commodities other than farm products	95.3	95.2	94.7	94.5	82.6	+0.1	+0.8	+15.4
All commodities other than farm products and foods	94.8	94.9	94.5	94.5	84.5	—0.1	+0.3	+12.2

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM FEB. 14, 1942 TO FEB. 21, 1942

Increases

Fruits and vegetables	3.1	Other farm products	0.7
Livestock and poultry	2.0	Other textile products	0.5
Meats	1.9	Hosiery and underwear	0.3
Grains	1.1	Furniture	0.2
Cattle feed	0.8	Cotton goods	0.1

Decreases

Petroleum products	0.7	Dairy products	0.3
Other foods	0.4	Lumber	0.2

Fertilizer materials 0.1

Fabricated Structural Steel Bookings and Shipments in January Below 1941

New business booked by the fabricated structural steel industry during January was about 12% more than deliveries of completed work that month, according to reports received by the American Institute of Steel Construction. The new business booked in January of this year was 37% less than the new business booked in January, 1941. The shipments of finished work during this January were 4% less than for the same month last year.

During the last five months of 1941 the industry shipped each month more tonnage than was currently booked in new business. The change in the trend during January was probably due to the interim between the completion of the defense program and the starting of the war program, the Institute stated.

The shipments during last January totaled 157,986 tons. The backlog contains orders on hand scheduled for fabrication, amounting to 704,452 tons, which indicates that the industry will maintain its present rate of production during February, March, April and May, 1942.

Following is the complete tabulation of bookings and shipments, showing estimated total tonnage for the entire industry, as reported to the Institute:

	—Contracts Closed—		——Shipments——	
	1942	1941	1942	1941
January	176,625	281,235	157,986	164,590
February	------	173,559	------	161,354
March	------	206,072	------	170,161
April	------	218,018	------	189,751
May	------	179,884	------	191,905
June	------	246,910	------	200,509
July	------	214,756	------	203,026
August	------	158,658	------	189,251
September	------	158,782	------	204,085
October	------	128,658	------	217,738
November	------	184,043	------	182,593
December	------	146,379	------	176,126
Totals	------	2,296,954	------	2,251,089

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on Mar. 2 a summary for the week ended Feb. 21, 1942, of complete figures **showing the volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures, which are based upon reports filed with the Commission by the odd-lot dealers and specialists, are given below:**

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended Feb. 21—	Total for Week
Odd-lot Sales by Dealers: (Customers' Purchases)	
Number of orders	10,987
Number of shares	276,822
Dollar value	10,331,383
Odd-lot Purchases by Dealers: (Customers' Sales)	
Number of Orders—	
Customers' short sales	348
Customers' other sales a	11,427
Customers' total sales	11,775
Number of Shares—	
Customers' short sales	10,673
Customers' other sales a	269,490
Customers' total sales	280,163
Dollar value	9,131,270
Round-lot Sales by Dealers:	
Number of Shares:	
Short sales	30
Other sales b	75,350
Total sales	75,380
Round-lot Purchases by Dealers:	
Number of shares	67,750

a Sales marked "short exempt" are reported with "other sales." b Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Lumber Movement—Week Ended Feb. 21, 1942

Lumber production during the week ended Feb. 21, 1942, was 2% less than the previous week, shipments were 3% less, new business 0.5% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 12% above production; new orders 12% above production. Compared with the corresponding week of 1941, production was 4% less, shipments, 3% greater, and new business, 2% greater. The industry stood at 149% of the average of production in the corresponding week of 1935-39 and 142% of average 1935-39 shipments in the same week.

Year-to-Date Comparisons

Reported production for the first seven weeks of 1942 was 4% below corresponding weeks of 1941; shipments were 1% above the shipments, and new orders 7% above the orders of the 1941 period. For the seven weeks of 1942, new business was 25% above production and shipments were 13% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 47% on Feb. 21, 1942, compared with 34% a year ago. Unfilled orders were 25% greater than a year ago; gross stocks were 8 less.

Softwoods and Hardwoods

Record for the current week ended Feb. 21, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

Softwoods and Hardwoods

	1942 Week	1941 Week	1942 Previous Wk. (rev.)
Mills	458	458	469
Production	223,857	233,398	228,098
Shipments	251,267	243,182	259,542
Orders	251,464	247,362	252,841

	Softwoods 1942 Week		Hardwoods 1942 Week	
Mills	384		90	
Production	213,196	—100%	10,661	—100%
Shipments	239,496	112	11,771	110
Orders	238,098	112	13,366	125

Bldg. Loans Up In 1941

Half a billion dollars worth of new homes and small flat buildings were put up in 1941 with savings, building and loan association dollars, it became evident on Feb. 28 from reports of the United States Savings and Loan League that the associations last year loaned $437,065,000, out of their $1,378,684,000 total 1941 loan volume, for building new places for families to live. The new building loans topped the previous year by some $40,000,000, and were approximately twice the volume of three years ago. The League's announcement adds:

> The last month of 1941, in spite of war and its rapid change of the outlook of millions of Americans, actually saw a slight increase in money loaned for new home building over November. Savings and loan institutions placed mortgage loans totaling $30,290,000 for new homes in December, and this was $2,000,000 or so more than in the same month of the previous year, when nobody had ever heard of a priority on home building materials or been influenced by talk of scarcity of copper wire and chromium bath fixtures.
>
> A. D. Theobald, Chicago, Assistant Vice-President of the League, said that even more spectacular in the 1941 loan record was the new high volume reached in loans to buy existing homes, $580,503,000, or 42.11% of the year's loan volume. This was a gain of more than $150,000,000 over the same type of loans for 1940, and represented by far the highest percentage of lending so allocated since the 1920's.
>
> "This was the third successive year in which savings and loan institutions' total volume of home-owner loans increased substantially over the preceding year," said Mr. Theobald. "The $1,378,000,000 disbursed last year represented a 15% gain over 1940, which had in turn been 21.6% greater than 1939 loan volume. The increase in 1939 over 1938 had been 24%. During those three years of uptrend a total of $3,500,000,000 was supplied by these institutions to finance home building, home buying, remodeling, refinancing or other miscellaneous reasons for which people borrow on residential real estate."
>
> December was the 10th month in a row during which savings and loan association lending volume was over $100,000,000.

Revokes Silk Ceiling

Price Administrator Leon Henderson revoked, effective Feb. 19, the schedule setting maximum prices for raw silk and silk waste, which had been issued on Aug. 2, 1941, for the purpose of remedying inflationary market conditions. He explained that since issuance of the price schedule substantially all raw silk stocks in the country have been acquired by the United States Government, or are reposing in the hands of manufacturers fabricating materials in fulfillment of Government contracts.

Repeal Congress Pensions

Following unfavorable reaction throughout the country, the Senate on Feb. 19 and the House on Feb. 24 voted for legislation repealing a provision of the Civil Service Retirement Act which would permit members of Congress, elective officials and heads of executive departments to retire on pensions under certain conditions. The repealer was attached to a minor naval bill. The Senate vote for repeal was 75 to 5, while the House approval was by a vote of 389 to 7.

The passage of the bill favoring Congressional pensions was reported in these columns Feb. 19, page 765.

Revenue Freight Car Loadings During Week Ended Feb. 21, 1942, Amounted to 774,595 Cars

Loading of revenue freight for the week ended Feb. 21, totaled 774,595 cars, the Association of American Railroads announced on Feb. 26. The increase above the corresponding week in 1941 was 96,072 cars, or 14.2%, and above the same week in 1940 was 179,212 cars, or 30.1%. Both 1941 and 1940 included holidays.

Loading of revenue freight for the week of Feb. 21 decreased 8,104 cars, or 1% below the preceding week.

Miscellaneous freight loading totaled 347,334 cars, a decrease of 4,558 cars below the preceding week, but an increase of 58,633 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 150,030 cars, a decrease of 1,485 cars below the preceding week, but an increase of 10,750 cars above the corresponding week in 1941.

Coal loading amounted to 158,665 cars, an increase of 3,947 cars above the preceding week, and an increase of 7,828 cars above the corresponding week in 1941.

Grain and grain products loading totaled 36,103 cars, a decrease of 2,642 cars below the preceding week, but an increase of 8,870 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of Feb. 21 totaled 23,186 cars, a decrease of 2,066 cars below the preceding week, but an increase of 7,242 cars above the corresponding week in 1941.

Live stock loading amounted to 9,947 cars, a decrease of 1,250 cars below the preceding week, but an increase of 285 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of Feb. 21 totaled 7,277 cars, a decrease of 822 cars below the preceding week, but an increase of 490 cars above the corresponding week in 1941.

Forest products loading totaled 44,976 cars, a decrease of 2,627 cars below the preceding week, but an increase of 8,285 cars above the corresponding week in 1941.

Ore loading amounted to 13,039 cars, an increase of 119 cars above the preceding week, and an increase of 984 cars above the corresponding week in 1941.

Coke loading amounted to 14,501 cars, an increase of 392 cars above the preceding week, and an increase of 437 cars above the corresponding week in 1941.

All districts reported increases compared with the corresponding week in 1941 except the Pocahontas and all districts reported increases over 1940.

	1942	1941	1940
5 weeks of January	3,858,273	3,454,409	3,215,565
Week of Feb. 7	784,060	710,196	627,429
Week of Feb. 14	782,699	721,176	608,237
Week of Feb. 21	774,595	678,523	595,383
Total	6,199,627	5,564,304	5,046,614

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended Feb. 21, 1942. During this period 104 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED FEB. 21

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	611	463	552	1,510	1,459
Bangor & Aroostook	2,135	1,788	1,784	225	193
Boston & Maine	8,488	7,537	6,413	14,251	12,054
Chicago, Indianapolis & Louisville	1,373	1,327	1,272	2,280	2,378
Central Indiana	24	9	21	51	57
Central Vermont	1,384	1,112	1,148	2,177	2,259
Delaware & Hudson	6,401	5,063	4,439	11,393	9,155
Delaware, Lackawanna & Western	8,947	8,000	8,220	9,059	7,734
Detroit & Mackinac	290	237	217	159	94
Detroit, Toledo & Ironton	2,088	3,036	2,587	1,820	2,040
Detroit & Toledo Shore Line	328	384	265	3,705	4,213
Erie	13,989	12,337	10,520	15,843	13,607
Grand Trunk Western	4,610	5,962	5,285	8,560	9,812
Lehigh & Hudson River	179	160	138	3,936	2,241
Lehigh & New England	1,740	1,244	1,301	1,836	1,308
Lehigh Valley	9,263	8,331	7,441	9,486	7,823
Maine Central	3,463	3,463	2,639	3,914	3,222
Monongahela	6,096	5,005	4,285	449	295
Montour	1,830	2,035	1,799	25	28
New York Central Lines	45,228	43,160	36,160	50,852	45,457
N. Y., N. H. & Hartford	12,591	10,136	8,646	17,407	14,338
New York, Ontario & Western	1,050	1,036	957	2,372	2,104
N. Y., Chicago & St. Louis	6,897	4,907	4,978	14,441	12,891
N. Y., Susquehanna & Western	539	441	369	1,467	1,613
Pittsburgh & Lake Erie	8,210	7,551	5,839	6,940	6,898
Pere Marquette	4,780	5,852	5,496	6,234	6,405
Pittsburgh & Shawmut	557	508	536	30	36
Pittsburgh, Shawmut & North	368	422	392	272	271
Pittsburgh & West Virginia	691	920	1,072	2,001	1,979
Rutland	520	537	523	1,092	944
Wabash	5,773	5,414	4,974	10,479	10,428
Wheeling & Lake Erie	4,563	4,257	3,471	3,967	3,917
Total	165,006	152,634	132,739	208,233	187,253
Allegheny District—					
Akron, Canton & Youngstown	623	532	413	1,027	979
Baltimore & Ohio	40,014	32,250	27,293	22,893	17,774
Bessemer & Lake Erie	3,190	3,063	2,502	1,635	1,637
Buffalo Creek & Gauley	340	292	297	2	3
Cambria & Indiana	1,923	1,792	1,527	11	18
Central R.R. of New Jersey	7,885	6,249	5,281	16,622	13,026
Cornwall	628	590	501	60	59
Cumberland & Pennsylvania	303	310	279	14	24
Ligonier Valley	125	156	158	38	40
Long Island	838	552	430	3,431	2,759
Penn-Reading Seashore Lines	1,798	1,212	1,036	2,085	1,548
Pennsylvania System	76,837	67,238	55,122	58,732	45,925
Reading Co.	15,937	14,605	12,903	26,105	19,841
Union (Pittsburgh)	20,260	19,545	14,679	3,655	3,487
Western Maryland	3,892	3,565	3,254	10,900	7,691
Total	174,593	151,951	125,675	147,210	114,811
Pocahontas District—					
Chesapeake & Ohio	23,568	23,030	22,104	9,485	9,445
Norfolk & Western	21,485	22,319	17,961	6,211	5,769
Virginian	3,825	4,640	4,778	2,098	1,771
Total	48,878	49,989	44,843	17,794	16,985
Southern District—					
Alabama, Tennessee & Northern	343	292	204	320	166
Atl. & W. P.—W. R.R. of Ala.	824	812	630	2,105	1,777
Atlanta, Birmingham & Coast	752	707	496	1,118	1,134
Atlantic Coast Line	12,193	11,311	8,957	7,850	7,036
Central of Georgia	4,357	4,387	3,532	3,749	3,496
Charleston & Western Carolina	395	437	375	1,676	1,729
Clinchfield	1,692	1,605	1,248	2,863	3,011
Columbus & Greenville	260	299	270	338	348
Durham & Southern	165	160	154	440	753
Florida East Coast	1,352	1,079	838	1,158	1,096
Gainsville Midland	37	36	26	111	95
Georgia	1,483	1,147	753	2,276	1,847
Georgia & Florida	384	326	266	633	655
Gulf, Mobile & Ohio	4,106	3,533	2,937	3,400	2,930
Illinois Central System	27,635	22,207	19,282	14,377	12,418
Louisville & Nashville	24,584	24,326	20,793	8,929	7,035
Macon, Dublin & Savannah	164	203	136	679	955
Mississippi Central	172	155	157	469	436
Nashville, Chattanooga & St. L.	3,174	2,949	2,399	3,467	3,238
Norfolk Southern	1,098	1,167	884	1,248	1,153
Piedmont Northern	505	417	387	1,452	1,636
Richmond Fred. & Potomac	445	369	292	8,796	5,651
Seaboard Air Line	9,783	8,596	8,278	7,628	5,473
Southern System	24,090	23,719	19,008	21,452	17,829
Tennessee Central	630	469	335	802	782
Winston-Salem Southbound	138	156	129	846	866
Total	120,761	110,864	92,766	98,182	83,545
Northwestern District—					
Chicago & North Western	16,696	13,836	13,427	13,048	10,517
Chicago Great Western	2,745	2,212	2,106	3,007	3,075
Chicago, Milw., St. P. & Pac.	23,440	18,643	17,162	10,903	8,575
Chicago, St. Paul, Minn. & Omaha*	4,289	3,685	3,148	3,735	3,363
Duluth, Missabe & Iron Range	1,228	880	688	419	156
Duluth, South Shore & Atlantic	790	505	465	510	356
Elgin, Joliet & Eastern	9,716	7,325	6,404	10,217	8,669
Ft. Dodge, Des Moines & South	529	318	301	139	131
Great Northern	11,122	7,539	8,095	4,218	2,578
Green Bay & Western	578	534	507	828	667
Lake Superior & Ishpeming	*371	203	250	*62	67
Minneapolis & St. Louis	2,161	1,403	1,348	2,353	1,931
Minn., St. Paul & S. S. M.	5,549	4,071	4,381	3,396	2,250
Northern Pacific	10,399	7,391	8,387	4,443	3,431
Spokane International	102	77	84	240	251
Spokane, Portland & Seattle	2,638	1,668	1,548	2,337	1,633
Total	92,353	70,290	68,301	59,855	47,650
Central Western District—					
Atch. Top. & Santa Fe System	20,877	17,031	16,491	8,258	7,086
Alton	3,237	2,861	2,360	3,087	2,669
Bingham & Garfield	422	504	486	79	112
Chicago, Burlington & Quincy	16,403	13,530	13,056	10,472	7,344
Chicago & Illinois Midland	3,111	2,331	2,516	720	851
Chicago, Rock Island & Pacific	11,798	9,691	9,132	11,231	9,658
Chicago & Eastern Illinois	2,878	2,906	2,327	2,992	2,918
Colorado & Southern	802	689	732	1,538	1,589
Denver & Rio Grande Western	3,270	2,450	2,385	4,230	2,791
Denver & Salt Lake	576	568	618	9	8
Fort Worth & Denver City	1,178	914	880	1,429	1,155
Illinois Terminal	2,067	1,790	1,769	1,639	1,475
Missouri-Illinois	1,228	629	712	835	393
Nevada Northern	1,916	1,835	1,538	142	120
North Western Pacific	891	610	567	463	380
Peoria & Pekin Union	13	15	12	0	0
Southern Pacific (Pacific)	27,266	21,373	18,656	9,094	5,858
Toledo, Peoria & Western	271	378	337	999	1,471
Union Pacific System	14,040	12,432	12,621	10,642	7,945
Utah	500	367	311	5	8
Western Pacific	1,703	1,209	1,111	2,731	1,628
Total	114,447	94,113	88,167	70,595	55,459
Southwestern District—					
Burlington-Rock Island	201	130	125	370	249
Gulf Coast Lines	4,213	4,056	2,913	2,404	1,548
International-Great Northern	2,098	1,674	1,397	2,523	2,354
Kansas, Oklahoma & Gulf	356	202	203	1,013	973
Kansas City Southern	3,588	2,406	1,927	2,626	2,211
Louisiana & Arkansas	2,506	2,181	1,729	2,430	1,744
Litchfield & Madison	373	339	356	1,161	1,026
Midland Valley	640	567	380	216	218
Missouri & Arkansas	202	92	128	501	399
Missouri-Kansas-Texas Lines	4,583	3,628	3,264	4,113	2,680
Missouri Pacific	16,243	13,217	11,973	14,155	8,870
Quanah Acme & Pacific	94	99	91	162	150
St. Louis-San Francisco	8,547	7,027	6,170	6,390	5,559
St. Louis Southwestern	*3,407	2,490	2,189	*4,440	3,185
Texas & New Orleans	7,542	7,278	6,241	4,958	3,867
Texas & Pacific	3,837	3,159	3,213	6,759	3,944
Wichita Falls & Southern	113	125	114	37	65
Weatherford M. W. & N. W.	14	12	29	14	132
Total	58,557	48,682	42,442	54,272	39,174

*Previous figures.
Note—Previous year's figures revised.

Engineering Construction Up 161% In Week

Major engineering construction awards for the short week due to the Washington's Birthday holiday total $266,622,000, the highest weekly volume reported this year, according to "Engineering News-Record" Feb. 26. This volume is 161% greater than last week and 124% greater than the corresponding week in 1941.

Public construction totaling $253,618,000 is also the highest reported this year comparing with $75,528,000 reported a week ago and $82,006,000 reported in 1941. Federal awards at $248,143,000, the highest volume reported since July 10, 1941, are responsible for this large public construction total.

The current week's total brings 1942 construction to $1,263,603,000, an increase of 25% over the volume reported for the same period last year.

Construction volumes for the 1941 week, last week, and the current week are:

	Feb. 27, 1941 (4 days)	Feb. 19, 1942 (4 days)	Feb. 26, 1942 (4 days)
Total construction	$119,201,000	$102,218,000	$266,622,000
Private construction	37,195,000	26,690,000	13,004,000
Public construction	82,006,000	75,528,000	253,618,000
State and Municipal	30,981,000	12,533,000	5,475,000
Federal	51,025,000	62,995,000	248,143,000

In the classified construction group, gains over the preceding week are in public buildings, waterworks and unclassified construction. Subtotals for the week in each class of construction are: waterworks, $6,798,000; sewerage, $1,211,000; bridges, $494,000; industrial buildings, $2,606,000; commercial building and large-scale private housing, $4,160,000; public buildings, $226,327,000; earthwork and drainage, $511,000; streets and roads, $3,036,000; and unclassified construction, $21,479,000.

New construction financing for the year totals $1,372,463,000 compared with $679,711,000 for the same period last year.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate *	Corporate by Ratings * Aaa	Aa	A	Baa	Corporate by Groups * R. R.	P. U.	Indus
Mar. 3	116.77	106.39	115.63	113.31	107.44	91.62	97.00	109.97	113.31
2	116.78	106.56	115.82	113.31	107.62	91.62	96.85	110.15	113.31
Feb. 28	116.38	106.56	115.82	113.31	107.62	91.62	97.00	110.15	113.31
27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
26	116.41	106.39	115.82	113.31	107.62	91.48	97.00	110.15	113.31
25	116.41	106.39	115.82	113.12	107.62	91.48	96.85	110.15	113.12
24	116.42	106.56	175.82	113.31	107.62	91.62	96.85	110.15	113.31
23				STOCK EXCHANGE CLOSED					
21	116.36	106.56	115.82	113.31	107.62	91.62	97.00	110.15	113.50
20	116.32	106.56	115.82	113.31	107.80	91.62	96.85	110.34	113.50
19	116.10	106.56	116.02	113.31	107.80	91.62	96.85	110.34	113.50
18	115.90	106.56	116.22	113.50	107.80	91.48	96.85	110.52	113.50
17	116.03	106.56	116.02	113.50	107.80	91.48	96.85	110.52	113.50
16	116.30	106.74	116.22	113.50	107.80	91.62	97.00	110.70	113.31
14	116.39	106.74	116.22	113.50	107.80	91.77	97.00	110.52	113.50
13	116.27	106.74	116.41	113.50	107.80	91.77	97.16	110.70	113.50
12				STOCK EXCHANGE CLOSED					
11	116.56	106.74	116.22	113.50	107.08	91.77	97.00	110.70	113.70
10	116.70	106.74	116.22	113.70	107.98	91.77	97.16	110.70	113.70
9	116.93	106.92	116.22	113.70	107.98	91.91	97.16	110.52	113.70
7	117.01	106.92	116.22	113.70	107.98	91.91	97.16	110.52	113.70
6	117.02	106.74	116.41	113.50	107.80	91.91	97.16	110.70	113.70
5	117.10	106.92	116.41	113.70	107.80	91.91	97.16	110.52	113.70
4	117.10	106.74	116.22	113.70	107.80	91.91	97.16	110.52	113.70
3	117.16	106.74	116.22	113.70	107.80	91.91	97.16	110.52	113.50
2	117.17	106.74	116.22	113.50	107.80	92.06	97.31	110.52	113.50
Jan. 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.70
23	117.51	106.92	116.22	114.08	107.62	91.91	97.31	110.70	113.70
16	117.60	106.92	116.41	113.89	107.62	91.91	97.31	110.52	113.70
9	118.00	106.92	116.61	114.08	107.62	91.77	97.16	110.70	113.89
2	117.61	106.04	115.82	113.50	107.09	90.63	95.92	110.34	113.31
High 1942	118.10	106.92	116.61	114.08	107.98	92.06	97.47	110.88	113.89
Low 1942	115.90	106.04	115.63	113.12	107.09	90.63	95.92	109.97	113.12
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.4
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
1 Year ago Mar. 3, 1941	116.67	106.04	117.40	113.12	106.39	89.92	96.07	109.97	112.93
2 Years ago Mar. 2, 1940	115.45	102.30	115.82	112.00	101.14	84.30	90.34	107.27	110.88

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1942— Daily Average	Avge. Corporate	Corporate by Ratings Aaa	Ac	A	Baa	Corporate by Groups R. R.	P. U.	Indus
Mar. 3	3.37	2.87	2.99	3.31	4.30	3.94	3.17	2.99
2	3.36	2.86	2.99	3.30	4.30	3.95	3.16	2.99
Feb. 28	3.36	2.86	2.99	3.30	4.30	3.94	3.16	2.99
27	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
26	3.37	2.86	2.99	3.30	4.31	3.94	3.16	2.99
25	3.37	2.86	3.00	3.30	4.31	3.95	3.16	3.00
24	3.36	2.86	2.99	3.30	4.30	3.95	3.16	2.99
23			STOCK EXCHANGE CLOSED					
21	3.36	2.86	2.99	3.30	4.30	3.94	3.16	2.98
20	3.36	2.86	2.99	3.29	4.30	3.95	3.15	2.98
19	3.36	2.85	2.99	3.29	4.30	3.95	3.15	2.98
18	3.36	2.84	2.98	3.29	4.31	3.95	3.14	2.98
17	3.36	2.85	2.98	3.29	4.31	3.95	3.14	2.98
16	3.35	2.84	2.98	3.29	4.30	3.94	3.13	2.99
14	3.35	2.84	2.98	3.29	4.29	3.94	3.14	2.98
13	3.35	2.83	2.98	3.29	4.29	3.93	3.13	2.98
12			STOCK EXCHANGE CLOSED					
11	3.35	2.84	2.98	3.29	4.29	3.94	3.13	2.97
10	3.35	2.84	2.97	3.28	4.29	3.93	3.13	2.97
9	3.34	2.84	2.97	3.28	4.28	3.93	3.14	2.97
7	3.34	2.84	2.97	3.28	4.28	3.93	3.14	2.97
6	3.35	2.83	2.98	3.29	4.28	3.93	3.13	2.97
5	3.34	2.83	2.97	3.29	4.28	3.93	3.14	2.97
4	3.35	2.84	2.97	3.29	4.28	3.93	3.14	2.97
3	3.35	2.84	2.97	3.29	4.28	3.93	3.14	2.98
2	3.35	2.84	2.98	3.29	4.27	3.92	3.14	2.98
Jan. 30	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
23	3.34	2.84	2.95	3.30	4.28	3.92	3.13	2.97
16	3.34	2.83	2.96	3.30	4.28	3.92	3.14	2.97
9	3.34	2.82	2.95	3.30	4.29	3.93	3.13	2.96
2	3.39	2.86	2.98	3.33	4.37	4.01	3.15	2.99
High 1942	3.39	2.87	3.00	3.33	4.37	4.01	3.17	3.00
Low 1942	3.34	2.82	2.95	3.28	4.27	3.91	3.12	2.96
High 1941	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.8
1 Year ago Mar. 3, 1941	3.39	2.78	3.00	3.37	4.42	4.00	3.17	3.01
2 Years ago Mar. 2, 1940	3.61	2.86	3.06	3.68	4.48	4.39	3.32	3.12

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Bank Debits Up 12% From Last Year

Bank debits as reported by banks in leading centers for the week ended Feb. 25 aggregated $9,344,000,000. Total debits during the 13 weeks ended Feb. 25 amounted to $146,706,000,000, or 17% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 10% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 22%.

SUMMARY BY FEDERAL RESERVE DISTRICTS
[In millions of dollars]

Federal Reserve District—	Week Ended Feb. 25, 1942	Week Ended Feb. 26, 1941	13 Weeks Ended Feb. 25, 1942	13 Weeks Ended Feb. 26, 1941
Boston	561	477	8,571	7,224
New York	3,818	3,744	57,451	51,954
Philadelphia	530	436	8,022	6,674
Cleveland	716	598	10,833	8,974
Richmond	403	327	5,922	4,847
Atlanta	354	284	5,053	4,043
Chicago	1,468	1,307	22,218	18,301
St. Louis	318	259	4,824	3,815
Minneapolis	174	137	2,744	2.094
Kansas City	325	259	4,678	3.705
Dallas	281	222	4,068	3,178
San Francisco	895	734	12,322	10,082
Total, 274 reporting centers	9,844	8,785	146,706	124,891
New York City*	3,449	3,444	52,286	47,626
140 other centers*	5,527	4,631	81,454	66,880
133 other reporting centers	868	710	12,967	10,385

*Included in the national series covering 141 centers, available beginning with 1919.

World Prices Suspended

Because price quotations in many countries are now some what artificial and their collection is difficult, and in some cases the report is delayed several weeks, it has been decided to suspend publication of the General Motors-Cornell Weekly Indexes of Wholesale Prices of 40 Basic Commodities.

This weekly publication, an outgrowth of the original General Motors-Cornell World Price Index, was a cooperative effort on the part of General Motors Corp. and Cornell University to release current price indexes for these countries: Argentina, Australia, Canada, England, Java, Mexico, New Zealand, Sweden, Switzerland, and the United States. Recently, Java and Switzerland had been eliminated from the list by reason of inability to obtain the price information.

The index was built upon 40 basic commodities. Each commodity was weighted uniformly for each country, according to its relative importance in world production. The actual price data had been collected weekly by General Motors overseas operations from sources described as "the most responsible agencies available in each country, usually a government department." The commodities involved included "a comprehensive list of several groups, including grains, livestock and livestock products, miscellaneous foods (coffee, cocoa, tea, sugar, &c.), textiles, fuels, metals and a list of other miscellaneous materials (rubber, hides, lumber, newsprint, linseed oil, &c.)." Weights assigned in the index to the different commodity groups are as follows: Grains, 20; livestock and livestock products, 19; vegetable fats and other foods, 9; textiles, 12; fuel, 11; metals, 11; miscellaneous, 18.

The indexes, based on prices expressed in the currency of each country, were reported up to and including the week ended Feb. 14:

(August, 1939=100)

	Argentina	Australia	Canada	England	Java	Mexico	New Zeal'd	Sweden	Switzerland	United States
1941—										
January	114	127	126	150	†120	111	119	144	†172	120
February	114	126	127	150	121	113	119	147	171	120
March	119	122	129	150	123	114	119	154	176	122
April	121	121	131	150	125	115	119	156	180	125
May	126	120	134	†152	129	117	120	156	189	129
June	133	121	137	155	131	119	121	155	193	132
July	†135	†121	†141	†156	†136	†125	†122	†155	194	†136
August	138	121	†142	157	138	127	123	156	196	138
September	†140	122	145	†157	138	†130	†123	156	203	143
October	140	123	143	†158	139	132	126	156	207	†140
November	†142	124	143	158	141	133	124	157	209	141
December	†143	122	†144	†159	---	†139	123	157	---	145
1942—										
January	144	123	146	160	---	140	123	157	---	151
1941— Weeks end.:										
Dec. 6	141	122	143	†159	*141	137	124	157	209	142
Dec. 13	†137	122	143	†160	---	139	123	157	*209	144
Dec. 20	†142	122	†143	†159	---	†139	123	157	---	†148
Dec. 27	†142	123	144	*160	---	139	123	157	---	147
1942—										
Jan. 3	142	123	144	160	---	140	123	157	---	148
Jan. 10	†143	123	†149	159	---	141	123	157	---	150
Jan. 17	†144	123	†150	160	---	140	124	157	---	151
Jan. 24	145	*123	147	*160	---	139	123	157	---	151
Jan. 31	145	124	†151	*161	---	139	124	157	---	†151
Feb. 7	146	†125	151	*159	---	139	124	157	---	150
Feb. 14	146	*125	151	*159	---	*139	123	157	---	151
Feb. 21	Figures suspended.									

* Preliminary. † Revised.

Fertilizer Ass'n Price Index Steady

The general level of commodity prices was slightly higher last week, according to the wholesale price index compiled by The National Fertilizer Association March 2. In the week ended Feb. 28, 1942, this index advanced fractionally to 123.8 from 123.7 in the preceding week. A month ago it was 121.8 and a year ago 100.4, based on the 1935-1939 average as 100.

The upward movement of the all-commodity group index last week was the result of higher prices for foodstuffs and livestock. The farm product price index moved to higher levels as advances in cattle, hogs, and sheep more than offset declines in raw cotton and grains. In the food group rising prices for apricots, potatoes, meats, and lard were sufficient to counterbalance the effect on the group index of declines in eggs, flour, and dried beans. The net result of these changes was a moderate increase in the food price index. A fractional advance was also recorded by the index representing the prices of miscellaneous commodities. A drop in the price of raw cotton lowered the textile index fractionally. The fuel and building material price indexes likewise registered small declines.

Price changes during the week were nearly evenly balanced, with 17 items included in the index advancing and 15 declining; in the preceding week there were 29 advances and 14 declines; in the second preceding week there were 22 advances and 23 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
[1935-1939 = 100*]

% Each Group Bears to the Total Index	Group	Latest Week Feb. 28, 1942	Preceding Week Feb. 21, 1942	Month Ago Jan. 24, 1942	Year Ago Mar. 1, 1941
25.3	Foods	121.9	121.5	118.5	92.4
	Fats and Oils	135.8	135.6	131.8	74.6
	Cottonseed Oil	159.0	159.0	158.4	72.6
23.0	Farm Products	132.7	132.4	130.5	93.2
	Cotton	182.9	183.7	185.1	97.1
	Grains	119.4	121.0	121.6	83.4
	Livestock	125.7	124.6	121.3	93.8
17.3	Fuels	113.3	113.8	113.0	101.3
10.8	Miscellaneous commodities	127.3	127.2	127.7	110.9
8.2	Textiles	150.4	150.5	150.2	114.5
7.1	Metals	104.4	104.4	104.0	103.3
6.1	Building materials	134.8	135.0	132.0	116.4
1.3	Chemicals and drugs	120.3	120.3	120.1	104.0
.3	Fertilizer materials	118.3	118.3	117.4	105.8
.3	Fertilizers	115.3	115.3	114.0	102.1
.3	Farm machinery	103.8	103.8	103.5	99.8
100.0	All groups combined	123.8	123.7	121.8	100.4

*Indexes on 1926-1928 base were: Feb. 28, 1942, 96.4; Feb. 21, 1942, 96.4; Mar. 1, 1941, 78.2.

Dominican Coffee Export

According to advices to the Department of Commerce at Washington, made available Mar. 2, the 1941 Dominican Republic coffee export figures show abnoramlly large shipments which merchants state cannot be duplicated in 1942. This condition is attributable to the fact that the United States, the principal buyer, will have taken during the last months of 1941 the greater part of the stock which ordinarily would be exported during the first months of 1942, says the Department, which adds:

> The principal reason for this extremely rapid filling of the 1941-42 quota is the fact that not only did the Dominican coffee harvest begin early this winter, but it is also unusually large in volume. Since the export market is nearly glutted, it is estimated that approximately 125,000 bags produced will now find few buyers regardless of price.
>
> Recent Dominican Government regulations imposing strict rules for the gathering and preparation of coffee are admitted to be having a good effect. Although these regulations have not cut down the volume of production, the resulting better quality is receiving higher prices.

Opens Radio Circuit U. S. To New Zealand

President Roosevelt and Prime Minister Peter Fraser of New Zealand on Feb. 23 exchanged message of greetings on the occasion of the opening of a direct radio-telegraph circuit between the two countries. The President's message to the Prime Minister was as follows:

> The establishment at this time of a direct radio-telegraph circuit between the United States and New Zealand is another link in the ever-tightening bonds between our two countries. It gives me great pleasure to make use of this new and rapid channel of communications to convey to you personally and through you to the people of New Zealand the warm and fraternal greetings of the American people and to assure you that we shall leave nothing undone to achieve our common objective of freeing our world once and for all of the forces of aggression.

Prime Minister Fraser in his reply said:

> The inauguration of direct radio communication today between New Zealand and the United States enables me to send you a cordial message of greetings and good will from the government and people of New Zealand and to wish you all good fortune in the days of stress that lie ahead.
>
> This further link will, I trust, serve to bind still closer the warm ties of long-standing friendship between the American and New Zealand peoples, and it will undoubtedly provide a most valuable means of practical cooperation in the prosecution of the common task to which both peoples have set their hand, the achievement of complete and lasting victory over the enemies of freedom and democracy.

Moody's Daily Commodity Index

Tuesday, Feb. 24		228.1
Wednesday, Feb. 25		228.2
Thursday, Feb. 26		228.2
Friday, Feb. 27		228.2
Saturday, Feb. 28		228.3
Monday, March 2		228.1
Tuesday, March 3		228.9
Two weeks ago, Feb. 17		229.0
Month ago, Feb. 3		225.1
Year ago, March 3		175.8
1941	High—Sept. 9	219.9
	Low—Feb. 17	171.6
1942	High—Feb. 17	229.0
	Low—Jan. 2	220.0

Steel Bookings Gain—Industrial Conversion To War Production Shows Steady Progress

February ended with the volume of incoming steel orders avergaing fairly close to January totals, and more companies reporting increases than decreases in bookings despite the tremendous rated steel backlog now held by the industry, "The Iron Age" reports in its issue today (March 5). Concentration of steel orders for direct war use is continuing at an accelerated rate and actual steel shipments in the past few weeks ranged from 65 to 75% on orders carrying an A-3 priority rating or better. Outright allocations have been increasing. Each week brings an upward revision in estimated steel requirements for ships, shells, tanks, trucks and bombs, adds the "Age," which further goes on to say:

"The Maritime Commission's next 770 'Liberty' ships for which no material has been ordered will be built 80-90% from plates which are no wider than 90 in., generally no wider than 72 in., with the material coming from converted strip mills formerly shipping to automotive plants. The Commission's plan will not free plates for civilian use but will make possible the fulfillment of essential war orders. The report that railroad car builders may soon begin construction of wooden cars to overcome the plate shortage is believed by some observers to be paving the way for wider use of wood in other types of construction work. Some defense plants, particularly those unlikely to be used after the war may be built of wood.

"Demand for tin plate for production of primary product cans used to pack vegetables and fruit is expected to be so great before the packing season closes that the allowable limits on secondary and special cans will never be reached. It is also expected that production of uncoated black plate, except on priority rated business, will soon be eliminated altogether. Steel makers look for an order restricting production of black plate for certain types of cans.

"Within the next month it is expected that steel shipments will represent from 90 to 95% rated tonnage, and that any unrated business will represent merely by-products of tight rolling mill schedules. It is also expected that the government through the War Production Board, will exercise much closer control over shipments of steel in the various priority levels. Steel companies have already been told that recent shipments have been running too heavy in lower rated classifications and in non-rated categories. This reminder may be a forerunner of more drastic control over total steel distribution.

"Steel ingot output this week reached a new high mark with the mills operating at 96.5%. This represents a gain of one point over the preceding week and, when converted to the capacity ratings prevailing in the last half of 1941, is about one point above the 1941 high of 98% reported in the first week of November. Among the large districts reporting increases this week are Chicago, which rose 2½ points to 103½%, and Youngstown up two points from last week's revised rate to 92.5%. Pittsburgh is unchanged this week at 97% as are Philadelphia at 91%, Wheeling at 91%, Birmingham at 99% and Detroit at 94%. The only large district to show a drop is Cleveland, which lost two points to 92%. The Eastern district lost five points to 98%.

"A stronger flow of scrap in major steel-producing areas enabled the steel industry to strengthen its operating schedules temporarily but new obstacles threaten to darken the scrap outlook. The nationwide roundup of automobile grave-yard scrap, which had been expected to liquidate such yards within three months, has run into a stumbling block in the form of lack of 'burners' who cut up the metal. The shortage of freight cars is being more pronounced.

"Meanwhile the bulk of American industry continued to have conversion pains and the inevitable creaking and groaning can be heard in many places. Accompanying the Donald Nelson's production speech, first of a weekly series, was a sharp increase in the issuance of 'L' or limitation orders curtailing production of non-essential goods. The latest of such orders have been directed against the makers of refrigerators, laundry equipment, firearms, musical instruments, small planes and certain types of track-laying tractors. Use of critical materials has been restricted in civilian types of fire protective equipment. Another phase of the conservation program is that of simplification of designs.

"While many of the larger plants have swung into war goods production with a speed which is evidence of the advantages of size, or resources and of skilled management, a number of smaller plants recently have been complaining about the constant changing of priority regulations and procedure. They report that these changes are seriously hampering the flow of materials into their plants, now on war work."

THE "IRON AGE" COMPOSITE PRICES

Finished Steel

March 3, 1942, 2.30467c. a Lb.

One week ago	2.30467c.
One month ago	2.30467c.
One year ago	2.30467c.

A weighted index based on steel bars, beams, tank plates, wire, rails, black pipe, hot and cold-rolled sheets and strip. These products represent 78% of the United States output.

	High		Low	
1941	2.30467c.		2.30467c.	
1940	2.30467c.	Jan. 2	2.24107c.	Apr. 16
1939	2.35367c.	Jan. 3	2.26689c.	May 16
1938	2.58414c.	Jan. 4	2.27207c.	Oct. 18
1937	2.58414c.	Mar. 9	2.32263c.	Jan. 4
1936	2.32263c.	Dec. 28	2.05200c.	Mar. 10
1935	2.07642c.	Oct. 1	2.06492c.	Jan. 8
1934	2.15367c.	Apr. 24	1.95757c.	Jan. 2
1933	1.95578c.	Oct. 3	1.75836c.	May 2
1932	1.89196c.	Jul. 5	1.83901c.	Mar. 1
1931	1.99629c.	Jan. 13	1.86586c.	Dec. 29
1930	2.25488c.	Jan. 7	1.97319c.	Dec. 9
1929	2.31773c.	May 28	2.26498c.	Oct. 29

Pig Iron

March 3, 1942, $23.61 a Gross Ton

One week ago	$23.61
One month ago	23.61
One year ago	23.45

Based on averages for basic iron at Valley furnaces and foundry iron at Chicago, Philadelphia, Buffalo, Valley and Southern iron at Cincinnati.

	High		Low	
1941	$23.61	Mar. 20	$23.45	Jan. 2
1940	$23.45	Dec. 23	$22.61	Jan. 2
1939	22.61	Sep. 19	20.61	Sep. 12
1938	23.25	Jun. 21	19.61	Jul. 6
1937	23.25	Mar. 9	20.25	Feb. 16
1936	19.74	Nov. 24	18.73	Aug. 11
1935	18.84	Nov. 5	17.83	May 14
1934	17.90	May 1	16.90	Jan. 27
1933	16.90	Dec. 5	13.56	Jan. 3
1932	14.81	Jan. 5	13.56	Dec. 6
1931	15.90	Jan. 6	14.79	Dec. 15
1930	18.21	Jan. 7	15.90	Dec. 16
1929	18.71	May 14	18.21	Dec. 17

Steel Scrap

March 3, 1942, $19.17 a Gross Ton

One week ago	$19.17
One month ago	19.17
One year ago	20.17

Based on No. 1 heavy melting steel scrap quotations to consumers at Pittsburgh, Philadelphia, and Chicago.

	High		Low	
1941	$22.00	Jan. 7	$19.17	Apr. 10
1940	21.83	Dec. 30	16.04	Apr. 9
1939	22.50	Oct. 3	14.08	May 16
1938	15.00	Nov. 22	11.00	Jun. 7
1937	21.92	Mar. 30	12.92	Nov. 10
1936	17.75	Dec. 21	12.67	Jun. 9
1935	13.42	Dec. 10	10.33	Apr. 29
1934	13.00	Mar. 13	9.50	Sep. 25
1933	12.25	Aug. 8	6.75	Jan. 3
1932	8.50	Jan. 12	6.43	Jul. 5
1931	11.33	Jan. 6	8.50	Dec. 29
1930	15.00	Feb. 18	11.25	Dec. 9
1929	17.58	Jan. 29	14.08	Dec. 3

The American Iron and Steel Institute on March 2 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 97.2% of capacity for the week beginning March 2, compared with 96.3% one week ago, 95.0% one month ago and 97.5% one year ago. This represents an increase of 0.9 point, or 0.9% from the preceding week. The operating rate for the week beginning March 2 is equivalent to 1,651,100 tons of steel ingots and castings, compared to 1,635,800 tons one week ago, 1,614,200 tons one month ago, and 1,573,500 tons one year ago. Weekly indicated rates of steel operations since Feb. 3, 1941, follow:

1941—	
Feb 3	96.9%
Feb 10	97.1%
Feb 17	94.6%
Feb 24	96.3%
Mar 3	97.5%
Mar 10	98.8%
Mar 17	99.4%
Mar 24	99.8%
Mar 31	99.2%
Apr 7	99.3%
Apr 14	98.3%
Apr 21	96.0%
Apr 28	94.3%
May 5	96.8%
May 12	99.2%
May 19	99.9%
May 26	98.6%
Jun 2	99.2%
Jun 9	98.6%
Jun 16	99.0%
Jun 23	99.9%
Jun 30	91.8%
Jly 7	94.9%
Jly 14	95.2%
Jly 21	96.0%
Jly 28	97.6%
Aug 4	96.3%
Aug 11	95.6%
Aug 18	96.2%
Aug 25	96.5%
Sep 2	96.3%
Sep 8	96.9%
Sep 15	96.1%
Sep 22	96.8%
Sep 29	96.9%
Oct 6	98.1%
Oct 13	98.4%
Oct 20	97.5%
Oct 27	99.9%
Nov 3	98.2%
Nov 10	96.6%
Nov 17	97.0%
Nov 24	95.9%
Dec 1	97.6%
Dec 8	97.5%
Dec 15	97.9%
Dec 22	93.4%
Dec 29	96.1%
1942—	
Jan 5	93.8%
Jan 12	95.1%
Jan 19	95.0%
Jan 26	94.6%
Feb 2	95.0%
Feb 9	95.5%
Feb 16	96.2%
Feb 23	96.3%
Mar 2	97.2%

"Steel," of Cleveland, in its summary of the iron and steel markets on March 2, stated:

Evidence of steady progress of industrial conversion to war production is found in the increasing proportion of tonnage on mill books bearing highest rating.

As a result of accumulation of orders bearing A-1-a priority sheetmakers have little to offer under nine weeks, with lower ratings much further delayed. In structural shapes only a little better can be done. While general allocation has not been imposed on steel bars conditions indicate this may be done, as the situation is approaching that existing in plates.

A current instance of the conversion of facilities to war production is in the electrical refrigerator industry, which has been ordered to stop manufacture April 30. So much war work has been taken by these interests, including ammunition boxes and incendiary bomb cases, that their requirements for steel sheets are greater than they had been taking for their normal products. Versatility of metal-working shops converting facilities to war products is illustrated by bids from eight New England concerns on ten million projectiles requiring screw machine and lathe work. Bidders included manufacturers of metal furniture, hardware, sporting goods, locks, household appliances, automotive specialties, chain and telephone meters. Shell contracts in that area are being made with builders of cotton mill equipment.

Structural shape fabricating shops in January booked more tonnage than they shipped, after five months during which shipments were greater than new business. These interests have 704,452 net tons of work scheduled for fabrication during the next four months.

Sale of steel left over in hands of automobile manufacturers when production of cars was stopped is being regulated under rules to sell only on orders bearing high rating. Some of this already has reached hands of warehouses and given some relief.

Indications are seen of possible shortage of freight cars, especially in the East. While no effect on steel-making has been noted from this cause some scrap shipments have been held back for lack of cars. Apprehension is felt over the situation as war production increases. Meanwhile, every assistance is being given freight car and locomotive builders, to expedite deliveries of cars now on order. Further orders continue to be placed and backlogs are at least holding their own.

Tighter situation in pig iron seems likely over the next few months, a number of factors indicating a squeeze. Emergency requirements are increasing as more melters are converting to war work and obtain preference. At the same time those who have had large inventories and have reduced them materially are about to request tonnage. There also is the probability of considerable lost time from relining operations on stacks which have been operating at a high rate for some time. General level of pig iron priorities is rising steadily.

Steelworks operations remained steady at 96% although numerous changes were made in the various districts. Pittsburgh gained ½ point to 95½%, Youngstown advanced 4 points to 91% and St. Louis, on better scrap supply, added 16 points to reach 88½%. Chicago lost 2 points to 102%, Cleveland 5 points to 89, Cincinnati 2 points to 86, Detroit 8 points to 84, Wheeling 1½ points to 86½ and New England 5 points to 95. Birmingham was unchanged at 95%, Buffalo at 79½ and Eastern Pennsylvania at 90.

Numerous county organizations are being formed under the Department of Agriculture to undertake detailed canvass of farms to obtain scrap material available there, with definite prices set for delivery to dealers and for scrap picked up at the farm by dealers. With shipments from automobile wrecking yards already started and gaining in volume the farm program will give a further uplift to supply from difficult sources. Much interest is felt in the outcome of conversion of automobile plants to war production in relation to resulting scrap. Opinion is held by some observers that the scrap produced from tanks and other armament products will be less than from automobiles.

Composite prices show no change, OPA ceilings being held steadily. Finished steel composite is $56.73, semifinished steel $36.00, steelmaking pig iron $23.05 and steelmaking scrap $19.17.

Petroleum And Its Products

An immediate broad revision of the price ceilings upon petroleum and refined products is necessary if the vital exploration work is to continue and the oil companies operating in the East Coast area are to be protected against heavy financial loss through their increased transportation costs resulting from war-time operating conditions, the House Interstate and Foreign Commerce Committee subcommittee was told this week in Washington by Deputy Petroleum coordinator Ralph K. Davies and Dr. Robert E. Wilson, President of the Pan-American Petroleum & Transport Co. Both Mr. Davies and Dr. Wilson also urged the protection of the present depletion allowable of the revenue law against changes reportedly sought by Secretary of the Treasury Morgenthau.

The sustained production of petroleum depends entirely upon active discovery operations and proper development programs, Mr. Davies pointed out to the subcommittee. There must be, he stressed, increased exploratory activity if new reserves of oil and gas are to be made available at a rate at least equal to that at which known or previously discovered reserves are produced and consumed. "The recent discovery record has not been too good," he continued. "Over the last three years, for instance, new discoveries of crude oil, not considering revisions and extensions to known fields, have failed to balance consumption by approximately 2,000,000,000 barrels. Furthermore, analysis shows that a substantial portion of both current reserves and production are associated with fields that are more than 50% depleted."

In admitting that conservation Order M-68 has been widely discussed and criticized by some in the industry, Mr. Davies told the House group that "it was hardly to be expected that a measure as restrictive of customary operations in the industry would be received with complete approbation. It is now evident, however, that there is rather wide appreciation of the basic soundness of the order, in which we have attempted to minimize the expenditures of crucial materials while assuring the means of meeting the requirements of the war effort. On the basis of restricted development permitted under M-68, we estimate that the drilling program for 1942 will be reduced at least 40% below the 1941 level. At best, it seems unlikely that materials will be available to drill in excess of about 19,000 wells, but it is our confident hope that this figure will include a substantial increase in the number of exploratory wells."

After pointing out that the No. 1 problem of the refining branch of the industry—the expansion of the nation's facilities for production of high-test aviation gasoline—was being met by Government action and backing in expanding production through construction of new refineries, etc., Mr. Davies said, "we realize that we are asking and must continue to ask the petroleum industry to do many things which will upset its peace-time economies and price structure. As the many adjustments required fully to apply the resources of petroleum to the war effort are made, there will be need for price changes in various products at various places, in order to properly recognize in these terms the operating facts and preserve the solvency of the industry. As war conditions require special production practices, changes in refinery balances, the movement of products by different transportation methods or other, perhaps radical, deviations from what is normal in the business, price adjustments must follow."

While there is no escape from the restrictions upon the use of materials in the light of the shortages that exist, the Deputy Petroleum Coordinator said, the PCO is trying to prevail upon the War Production Board to allot a "good" amount of steel and other materials for the year and let the PCO divide it up for industry operations which it thinks will best serve the war purpose. Mr. Davies also declared that the PCO was not yet prepared to make recommendations to amend the anti-trust laws to legalize the "clearance" now given by the Department of Justice to programs involving concerted action by the industry. He contended, however, that those clearances absolve the companies from prosecution for violations, and maintained that the same protection extends to triple-damage suits by persons affected by programs developed by Federal agencies and carried out under their direction.

A strong plea for higher prices for petroleum products in the East Coast area to offset increased costs of tank car shipments, higher war risk insurance on tankers and war bonuses for tanker crews was made by Dr. Wilson, who appeared before the subcommittee at the request of W. R. Boyd, Jr., President of the American Petroleum Institute. The former OPM petroleum consultant told the House that "as a result of the accelerated tank car movements, many Eastern customers have been, without appreciating the fact, receiving their supplies at little or no change in price when the rail transportation costs on their particular deliveries nearly equaled or in some cases actually exceeded the total price paid. . . . On heavy fuel, in particular, an increase is very much needed as the present cost of even tanker transportation makes it impossible to buy fuel oil on the Gulf Coast and sell same on the East Coast at the present ceiling prices without taking a loss."

The effect of the tight transportation picture was strikingly illustrated on March 3 when the Texas Co. reduced its purchase of crude oil and production from its own wells up to 50% in Texas, Louisiana and New Mexico. In announcing the move, W. S. S. Rodgers, President, cited the conditions brought about by the national emergency arising out of the recent sinkings of American tankers in the Atlantic and the transfer of additional vessels to Government service, thus creating a critical conditions in supplying the Atlantic seaboard from the Gulf Coast area. Military demands were also cited by the oil company executive, since they have brought rising requirements for some grades of crude oil and diminishing demand for other grades. While the company has expanded its use of railroad tank cars, he said, it still has an accumulation of crude and refined stocks in the Gulf Coast area which is taxing storage facilities to the maximum.

The Texas Railroad Commission last week reduced the daily crude oil production allowable for the State to 1,536,061 net daily for March, which is 70,328 barrels below the February quota, in issuing its State-wide proration orders. Petroleum Coordinator Ickes had certified the March quota for Texas at 1,510,600 barrels. Texas normally produces about 4% under the allowable, so the Commission estimated it will start March actual production at nearly 35,000 barrels under the Federal recommendation, and that new wells developed during the month will bring the month's total to the Government figure. Nine shutdown days in March were provided in the new proration orders, as compared with seven during February. Seven basic field allowables held unchanged.

Some relief of the tightness in East Coast transportation facilities should result from the action of the War Production Board on March 3 when it notified manufacturers of trucking equipment for petroleum transportation to release their tank vehicles and trailers to the industry to relieve the shortage of equipment for hauling petroleum products. The equipment, including tank vehicles, bodies, trailers and chassis, was "frozen" under the truck limitation order. As a result, a heavy burden was placed upon the railroad tank cars in short-haul movements of oil, particularly in the East. The release of this equipment, limited to that actually used in haulage of petroleum products, will release railroad tank car equipment for long-haul shipments of petroleum products from producing to refining areas.

Daily average crude oil production in the United States for the final week of February was off 62,040 barrels to 4,015,435 barrels, the "Oil & Gas Journal" reported Tuesday. Sharpest decline was on the West Coast with California daily average production dropping 29,000 barrels. Illinois, Kansas, Oklahoma and Louisiana also reported lower production totals. Texas and Michigan showed some expansion in production. Inventories of domestic and foreign crude oil in the country rose 1,398,000 barrels during the week ended Feb. 21, the Bureau of Mines reported this week, totaling 255,861,000 barrels. Stocks of American crude were up 1,711,000 barrels, but this was partially offset by a slump of 513,000 barrels in holdings of imported crude oil.

The nation need fear no shortage of either high-test aviation gasoline or the petroleum-derived war material for the manufacture of synthetic rubber, Senate defense investigators were told this week in closed hearings by Deputy Petroleum Coordinator Ralph K. Davies. The Federal oil official told the defense investigating subcommittee, headed by Senator Herring, that ample supplies were available for the next three years regardless of requirements, either from synthetic rubber production or 100-octane gasoline. An effort was being made, it was disclosed, to coordinate the output of a number of small refineries to supply one large plant for production of synthetic rubber raw material.

Major American petroleum companies involved in the expropriation dispute with Mexico are submitting valuations of their holdings to Morris L. Cooke, who was appointed by the Department of State to estimate their value as a basis for possible future settlement in keeping with the recent general agreement signed between the American and Mexican governments. The agreement provided that each Government would submit its own independent appraisel of the oil properties involved. While the American companies — Standard of New Jersey, Standard of California, Cities Service, etc.—had no part in the pact between the two governments, they have agreed to furnish Mr. Cooke with the valuation data at the specific request of the State Department. A separate valuation of the properties also is being made for the Mexican Government by Ricardo J. Zevada.

Due to the loss of production in the war-embroiled Far East—Borneo, Sarawak and small islands—and to lower output in Russia and Venezuela, world production of crude oil in January fell sharply below the previous month at 197,700,000 barrels, against 203,700,000 in December. The total, however, according to "World Petroleum," was sharply above the 175,400,000 barrels in January a year earlier. The United States showed a total of 127,500,000 barrels, off about 1,000,000 barrels from December but 17,000,000 barrels better than January, 1941. Venezuela, now in second place, reported 21,700,000 barrels, with Russia third with 18,400,000 barrels.

There were no crude oil price changes.

Prices of Typical Crude per Barrel At Wells

(All gravities where A. P. I. degrees are not shown)

Bradford, Pa.	$2.7
Corning, Pa.	1.31
Eastern Illinois	1.2
Illinois Basin	1.3
Mid-Contin't, Okla., 40 and above	1.2
Smackover, Heavy	0.8
Rodessa, Ark., 40 and above	1.2
East Texas, Texas, 40 and above	1.2
Kettleman Hills, 37.9 and over	1.29
Pecos County, Texas	0.9
Lance Creek, Wyo.	1.12
Signal Hill, 30.9 and over	1.2

In the refining field, piling up of stocks of gasoline in the mid-continent area, where inventories are at record levels for this time of the year, brought the first weakness in the price structure since April, 1941, with a reduction of ¼-cent a gallon in tank car prices of gasoline in this territory being posted on Feb. 25. Under the new schedule, 72-74 octane gasoline (regular) is posted at 5¾ to 6 cents a gallon; 63-66 octane, 5⅜ to 5⅝ cents and 60-octane and below, 5 to 5¼ cents a gallon.

While stocks of gasoline in the mid-continent are burdensome to the point where they affect the price structure, on the East Coast the picture is sharply different. Gasoline rationing on the Atlantic Coast is needed now, "perhaps the sooner the better," according to the current issue of "The Lamp," official organ of Standard Oil Co. of New Jersey. It points out that whatever saving may be possible in heavy fuel and heating oil use, it will not be sufficient to bring about the overall 15% slash in consumption of petroleum products recommended by the industry and indorsed by the Federal Petroleum Coordinator.

"The Government has already made a plea for voluntary elimination of all but essential driving, and at this writing measures are being discussed for the closing of service stations at night and possibly over Sundays," "The Lamp" continued. "Formal rationing through consumer coupon books, though cumbersome and expensive, may have to come later—perhaps the sooner the better." In commenting upon the tanker tonnage lost through submarine attacks upon coastwise and Caribbean tankers, the article said, "the net result has been to change the tonnage picture almost overnight from the relatively easy one existing before the war to one of serious shortage."

Within the near future, the industry expects to have the recommendations of the special tanker committee working upon the plan for allocation among all wholesale suppliers of the oil tanker tonnage available for the East Coast trade. The details of the plan have been set, it was understood, and an early announcement of the complete setup is expected by East Coast oil men. Allocation of tonnage is expected to improve the somewhat confused oil supply situation on the East Coast. Over the week-end, Petroleum Coordinator Ickes, reporting that holdings of heating oils were "dangerously low" in the East, called for the use of all suitable tanker ships to haul the needed oil as well as increased movements of heating oil eastward by rail.

Price change follows:

Feb. 25—Tank car prices of gasoline were reduced ¼ cent a gallon in the midcontinent area to 5¾ to 6 cents a gallon for regular grade gas.

U. S. Gasoline (Above 65 Octane), Tank Car Lots, F. O. B. Refinery

New York—	
Socony-Vac	$.088
Tide Water Oil	.088
Texas	.088
*Shell Eastern	.088
Other Cities—	
Chicago	.06-.06¾
Gulf Coast	.06-.06
Oklahoma	.06-.06¾

*Super.

Kerosene, 41-43 Water White, Tank Car F. O. B. Refinery

New York (Bayonne)	$.053
Baltimore	.054
Philadelphia	.054
North Texas	.04
New Orleans	4.25-4.625
Tulsa	.04⅜-.04¾

Fuel Oil, F. O. B. Refinery or Terminal

N. Y. (Harbor) Bunker C	$1.35
Diesel	2.15
Savannah, Bunker C	1.30
Philadelphia, Bunker C	1.35
Gulf Coast	.85
Halifax	1.70

Gas, Oil, F. O. B. Refinery or Terminal

N. Y. (Bayonne) 7 plus	$.04
Chicago, 28.30 D	.053
Tulsa	.03⅝

Fiduciary Trust Elects

The Fiduciary Trust Co., New York City, announces that Duncan M. Spencer has been elected President and John Fiske has been made Executive Vice-President. John R. Simpson, formerly Chairman of the Executive Committee and President, remains as Chairman of the Executive Committee of the Fiduciary Trust. Pierre Jay continues as Chairman of the Board of Directors.

Mr. Spencer has been Vice-President of the company since it began business in June, 1931, and has been a Director since 1933. Mr. Fiske also has been with the company since its inception and has been a Vice-President since 1937.

Diplomatic Shifts Made

President Roosevelt announced on Feb. 26 several changes in the diplomatic posts in Latin America and elevated the legations in Bolivia, Ecuador and Paraguay to the status of Embassies.

The nominations sent to the Senate by the President are:

> Pierre De L. Boal, of Pennsylvania, now Minister to Nicaragua, to be Ambassador to Bolivia.
>
> Arthur Bliss Lane, of New York, now Minister to Costa Rica, to be Ambassador to Colombia.
>
> Robert M. Scotten, of Michigan, now Minister to the Dominican Republic, to be Minister to Costa Rica.
>
> Avra M. Warren, of Maryland, now Chief of the State Department's Visa Division in Washington to be Minister to the Dominican Republic.
>
> James B. Stewart, of New Mexico, now Consul-General in Zurich, Switzerland, to be Minister to Nicaragua.

The two Ministers raised to the rank of Ambassador were Boaz Long, accredited to Ecuador, and Wesley Frost, serving in Paraguay.

The Bolivian Ministerial post was vacant due to the resignation of Douglas Jenkins; the Colombian vacancy was brought about by the transfer of Spruille Braden to the Cuban Embassy. George S. Messersmith, who had been Ambassadar to Cuba, was recently named Ambassador to Mexico in view of the resignation of Josephus Daniels (see issue of Dec. 4, page 1345). Mr. Messersmith presented his credentials to President Avila Camacho at Mexico City on Feb. 26.

Farm Prices Drop

Lower prices for half a dozen major agricultural commodities brought the general level of prices received by farmers down 4 points during the month ending Feb. 15, the U. S. Department of Agriculture reported on Feb. 27. This downturn pushed agricultural prices 1 point below parity, said the Department, which added:

> Leading the fall was a 12-point decline in prices received for poultry products, with prices for truck crops, tobacco, and fruit also down substantially, and dairy product prices slightly lower. Partially offsetting these sagging values were a 2-point upturn in grain, a 7-point rise in cotton and cottonseed, and a 9-point advance in meat animal prices.
>
> Supplies of farm products were ample for present needs. Stocks of grain at terminal markets are running higher than a year earlier and marketings of most other items continue at relatively high levels. Receipts of meat animals during February were larger than those of the same period last year, and milk production was higher. The demand of domestic consumers for farm products is staying about 35% higher than at the same time in 1941.
>
> Although receiving less, farmers had to pay more for the commodities they purchased, particularly food, clothing and feed. The index of prices paid by farmers on Feb. 15 was 1 point higher than a month earlier and 24 points above the mid-February level last year. The feed price index advanced 5 points during the month.

Electric Output For Week Ended Feb. 28, 1942, Shows 13.9% Gain Over Same Week In 1941

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Feb. 28, 1942, was 3,409,907,000 kwh., which compares with 2,993,253,000 kwh. in the corresponding period in 1941, a gain of 13.9%. The output for the week ended Feb. 21, 1942, was estimated to be 3,423,589,000 kwh., an increase of 14.7% over the corresponding week in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

	Week Ended			
Major Geographic Divisions—	Feb. 28, '42	Feb. 21, '42	Feb. 14, '42	Feb. 7, '42
New England	13.1	16.7	15.3	17.6
Middle Atlantic	9.5	12.1	12.7	14.7
Central Industrial	12.9	13.1	13.9	14.4
West Central	13.1	13.8	14.7	13.9
Southern States	14.5	14.4	15.3	15.2
Rocky Mountain	17.3	13.5	16.7	19.9
Pacific Coast	23.4	23.9	20.6	25.0
Total United States	13.9	14.7	15.0	16.2

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1941	1940	% Change 1941 over 1940	1939	1938	1937
Sept. 6	3,132,954	2,591,957	+20.9	2,375,852	2,109,985	2,211,398
Sept. 13	3,322,346	2,773,177	+19.8	2,532,014	2,279,233	2,338,370
Sept. 20	3,273,375	2,769,346	+18.2	2,538,118	2,211,059	2,231,277
Sept. 27	3,273,376	2,816,358	+16.2	2,558,538	2,207,942	2,331,415
Oct. 4	3,330,582	2,792,067	+19.3	2,554,290	2,228,586	2,339,384
Oct. 11	3,355,440	2,817,465	+19.1	2,583,366	2,251,089	2,324,750
Oct. 18	3,313,596	2,837,730	+16.8	2,576,331	2,281,328	2,327,212
Oct. 25	3,340,768	2,866,827	+16.5	2,622,267	2,283,831	2,297,785
Nov. 1	3,380,488	2,882,137	+17.3	2,608,664	2,270,534	2,245,449
Nov. 8	3,368,690	2,858,054	+17.9	2,588,618	2,276,904	2,214,337
Nov. 15	3,347,893	2,889,937	+15.8	2,587,113	2,325,273	2,263,679
Nov. 22	3,247,938	2,839,421	+14.4	2,560,962	2,247,712	2,104,579
Nov. 29	3,339,364	2,931,877	+13.9	2,605,274	2,334,690	2,179,411
Dec. 6	3,414,844	2,975,704	+14.8	2,654,395	2,376,541	2,234,135
Dec. 13	3,475,919	3,003,543	+15.7	2,694,194	2,390,388	2,241,972
Dec. 20	3,495,140	3,052,419	+14.5	2,712,211	2,424,935	2,053,944
Dec. 27	3,234,128	2,757,259	+17.3	2,464,795	2,174,816	2,033,319

Week Ended	1942	1941	% Change 1942 over 1941	1940	1932	1929
Jan. 3	3,288,685	2,845,727	+15.6	2,558,180	1,619,265	1,542,000
Jan. 10	3,472,579	3,002,454	+15.7	2,688,380	1,602,482	1,733,810
Jan. 17	3,450,468	3,012,638	+14.5	2,673,823	1,598,201	1,736,729
Jan. 24	3,440,163	2,996,155	+14.8	2,660,962	1,588,967	1,717,315
Jan. 31	3,468,193	2,994,047	+15.8	2,632,555	1,588,853	1,728,203
Feb. 7	3,474,638	2,989,392	+16.2	2,616,111	1,578,817	1,726,161
Feb. 14	3,421,639	2,976,478	+15.0	2,564,670	1,545,459	1,718,304
Feb. 21	3,423,589	2,985,585	+14.7	2,546,816	1,512,158	1,699,250
Feb. 28	3,409,907	2,993,253	+13.9	2,568,328	1,519,679	1,706,719

DATA FOR RECENT MONTHS (Thousands of Kilowatt-Hours)

	1941	1940	% Change 1941 over 1940	1939	1938	1937
January	13,149,116	11,683,430	+12.5	10,183,400	9,290,754	9,787,901
February	11,831,119	10,589,428	+11.7	9,256,313	8,396,231	8,911,125
March	12,882,642	10,974,335	+17.4	10,121,459	9,110,808	9,886,443
April	12,449,229	10,705,682	+16.3	9,525,317	8,607,031	9,573,698
May	13,218,633	11,118,543	+18.9	9,868,962	8,750,840	9,665,137
June	13,231,219	11,026,943	+20.0	10,068,845	8,832,736	9,773,908
July	13,836,992	11,616,238	+19.1	10,185,255	9,170,375	10,036,410
August	14,118,619	11,924,381	+18.4	10,785,902	9,801,770	10,308,884
September	13,901,644	11,484,529	+21.0	10,653,197	9,486,866	9,908,314
October	14,756,951	12,474,727	+18.3	11,289,617	9,844,519	10,065,805
November	13,974,232	12,213,543	+14.4	11,087,866	9,893,195	9,506,495
December	---------	12,842,218	---	11,476,294	10,372,602	9,717,471
Total for year		138,653,997		124,502,309	111,557,727	117,141,591

Farms Ready For Big Food Production

Farmers are off to a fairly good start in an all-out drive for record production of crops and livestock products—milk, eggs, meats, vegetables, and oil crops, the U. S. Department of Agriculture said on March 2.

Milk production is currently below projected goals for 1942 but the season of heavy production is just ahead. The production of eggs is up to goal figures. The number of livestock on farms is the largest on record. Winter vegetables and citrus fruits are going to market in increasing volume. The Department's announcement further says:

> But the high goals this year challenge the best efforts of farmers, in view of restricted supplies of materials and implements needed in farm production. Most efficient use must be made of available family and farm labor. Cost of production is rising, but the prospect is that farm income will be the largest since 1919 when the total was $14,600,000,000.
>
> Prices of some farm products are lower than at the beginning of 1942, but many livestock products continue above parity. Conservation and parity payments will be made by the Federal Government on basic commodities, and price supports have been announced for commodities needed in greatest abundance. Commodity credit loans and purchases for lend-lease shipment are supporting factors.
>
> Government officials stress the need for heavier production of livestock products. Corn acreage allotments have been increased to maintain feed granaries at a high level. Other measures are being taken to maintain price ratios of feed and livestock products to make possible the high record outturn of livestock products. Wheat is being made available as feed for livestock.
>
> Officials say that unless the usual signs fail there will be high-record calf and lamb crops this spring to replenish herds and flocks and release large numbers of meat animals for slaughter without lessening supplies in subsequent seasons. Cattlemen alone could market at least 28,000,000 head of cattle this year and still increase the number of stock on farms and ranches.
>
> Corn Belt and Western farmers are being urged to put in bigger crops of soybeans and flaxseed this year, and Southern farmers to grow more peanuts than ever before to satisfy an unprecedented demand for vegetable oils. Prices are to be supported in order to induce farmers to produce more of these crops.

Corn Loan Redemption

The Department of Agriculture announced on Feb. 21 that the Commodity Credit Corporation will permit the redemption of all two-year loans on 1938-39 corn at 61 cents per bushel from Feb. 23, 1942, to April 30, 1942, inclusive. These loans total approximately 130,000,000 bushels and will mature on Aug. 1, 1942. The Department states:

> This plan will permit borrowers to redeem corn at this time by payment of an amount approximately equal to the redemption value Aug. 1, 1942. No refund of unearned storage allowance will be required.
>
> Redemption at this time, officials explained, will permit marketing during a period that will avoid the usual spring rush and undue strain on transportation facilities, and also will make available additional corn supplies to meet immediate feeding requirements.

New York Stock Exchange And Affiliates Show Reduction In Operating Loss In 1941

The consolidated statement of income and expenses for 1941 of the New York Stock Exchange and its affiliated companies as of Dec. 31, 1941, shows an excess of expenses, excluding depreciation and non-recurring losses, of $42,285 over income, as compared with $275,302 in 1940, a net improvement of $233,017, according to the annual financial report, released on Feb. 27 by Emil Schram, President of the Stock Exchange. The loss for 1941, including depreciation, but excluding non-recurring losses from the sale of capital assets, was $608,864, which compared with a loss, computed on the same basis, of $895,749 in 1940. The total loss last year, including a $1,604,169 loss involved in the sale of 41 Broad Street and other non-recurring items, was $2,229,560, compared with $981,348 in 1940, according to the report.

Mr. Schram's report to the members of the Exchange follows, in part:

> Considering that the volume of reported business in 1941 was the smallest since 1918, and in view of the further fact that there has been an uninterrupted shrinkage in market activity since 1936, the Exchange may take pardonable pride in the soundness of its financial position today. This position is the result of wise and prudent management, particularly in the prolonged period of depression in our business. It is in deserved tribute to those responsible for the administration of the Exchange prior to my assumption to the Presidency on July 1, 1941, that this is said.
>
> The Exchange's broad financial position today may be briefly summarized as follows: through its affiliated companies, it owns—debt free—a city block of real estate (with the exception of a small parcel held under long-term lease), and extensive equipment necessary for the operation of a public securities market. It has maintained its market facilities at a high standard of efficiency. At the end of 1941 it had on hand cash and other liquid assets, including receivables, of more than $4,000,000 against total liabilities payable of about $500,000, leaving a net liquid position of approximately $3,500,000.
>
> Comparison of the consolidated balance sheet of the Exchange and its affiliated companies as of Dec. 31, 1941, and Dec. 31, 1940, reveals an increase of approximately $900,000 in available funds. Of this increase, $400,000 was derived from the sale to the Public National Bank of the property at 41 Broad Street and $296,564 represents the balance remaining from $308,445 received by the Treasurer of the Exchange from the Trustees of the Gratuity Fund of the Exchange pursuant to Article XVI, Section 7, of the Constitution. This latter amount is to be refunded to or to be applied against amounts paid or payable by members.
>
> The extent to which the Exchange has reduced the expense of its operation is indicated by the figures in the table below. Since 1937, trading volume has decreased by 58.3%; gross income of the Exchange has been reduced by 37.9%, and expenses have declined 32.8%.

	Total Exps. (Excl. Deprec.)
1937	$6,984,352
1938	6,553,296
1939	5,828,134
1940	5,366,178
1941	4,696,561

> It will be seen that, since 1937, costs have been reduced by $2,287,791, or at the rate of $572,000 annually. The main components of 1941 expenses were: salaries and wages, $2,743,621, or 58.4% of the total; and real estate taxes, $569,207, or 12.1% of the total. The only item of expense to increase appreciably was in severance allowances paid to employes leaving the Exchange's employ during the year.

Reduction In Payroll

Since 1937 the total payroll and the number of individuals employed have declined as follows:

	*Salary and Wage Payts.	No. of Employes at Year-End
1937	$4,259,676	2,336
1938	3,592,418	2,111
1939	3,433,931	1,927
1940	3,104,029	1,665
1941	2,624,353	1,297

*Annual rate for all employes on payroll at end of year.

The payroll reduction in 1941 resulted largely from the elimination of non-essential work and a reorganization of the Stock Clearing Corporation.

* * *

Trend of Income

The income of the Exchange continued to decline sharply in 1941, as in other recent years, falling to $4,654,277 from $5,090,876 in 1940. The reported volume of trading on the Exchange in 1941 totaled 170,603,671 shares, compared with 207,599,749 shares in 1940, with 262,029,599 shares in 1939, $297,466,722 shares in 1938 and with 409,464,570 shares in 1937.

There was a decrease in revenue received in 1941 from members and firms as the result of the discontinuance of a number of services for which the Exchange formerly collected fees. Also, many members of the Exchange are serving in the armed forces or are engaged in war work, which entitles them to certain priviliges, including in some cases, exemption from the payment of dues.

Trend of Expenses

The rigorous policy of economy, which was continued throughout 1941, is still being applied where possible, without impairing essential services. The Exchange's operations are necessarily being adjusted realistically to the present-day volume of business. It is important to emphasize, however, that the facilities through which our members serve the public have been maintained at maximum efficiency.

The Exchange, while carrying out a broad program of retrenchment, has endeavored to adjust the compensation of its employes to meet the rising cost of living. Individual salary increases, amounting in the aggregate to about $90,000 a year, were put into effect last October and a general upward readjustment, involving a total of approximately $110,000 a year, was made in February, 1942. These increases affected only employes in lower salary brackets. Economies already introduced or contemplated will partially offset the increases resulting from these higher rates of compensation.

The cost of professional services has been substantially reduced. At the end of 1941, the work for which a firm of management engineers had been engaged was completed. More recently, the retainer arrangement with general counsel was revised favorably to the Exchange.

It is evident that the Exchange and its member firms are making progress in surmounting the hardships of a continuing low level of business and the many uncertainties which necessarily accompany war-time operation. Relief of the problems confronting the membership continually is being sought by the Exchange, and the recently introduced plan of "special offerings" may be mentioned as one step looking toward improved service to the public and adequate brokerage income.

It is gratifying to report that members, member firms and employes have shown admirable enterprise in undertakings related to the war, particularly in the sale of Defense Bonds and Treasury Tax Savings Notes and in other measures of cooperation with the Government.

The consolidated balance sheet as of Dec. 31, 1941, compared with a year ago, follows:

CONSOLIDATED BALANCE SHEET

New York Stock Exchange; New York Stock Exchange Building Co.; New York Quotation Co.; Stock Clearing Corp.; *New York Stock Exchange Safe Deposit Co.; †39 Broad Street Corp.

Assets—	Dec. 31, 1941	Dec. 31, 1940
Cash	$3,162,371.20	$2,262,829.81
Accounts receivable from members or their firms	367,284.79	389,416.11
Accounts receivable, others (net of reserves)	180,375.69	73,325.56
Loans to employees	7,264.03	8,164.33
Miscellaneous securities (net of reserves)	2,402.00	43,962.50
Prepaid taxes, insurance, etc.	357,641.08	443,793.59
	$4,077,338.79	**$3,221,491.90**
Cash deposited in special funds (contra):		
Stock Clearing Corp. Clearing Fund	$9,325,000.00	$10,767,500.00
Stock Clearing Corp. mark to market deposits	129,059.46	17,560.86
Stock Clearing Corp. deposits account of special intermediate clearances	1,248,466.43	----------
Proceeds of sales of memberships	244,537.73	229,008.22
	$10,947,063.62	**$11,014,069.08**
Bonds deposited under franchise, at cost (market value $24,600 at Dec. 31, 1941)	**$21,125.00**	**$21,125.00**
Fixed assets (see footnote:		
Land	$9,551,424.58	$10,428,592.20
Buildings and improvements	18,271,908.39	19,619,574.37
Furniture, fixtures and equipment	217,061.70	384,306.58
Ticker equipment	1,179,023.87	1,186,696.29
	$29,219,418.54	$31,619,529.44
Less reserve for depreciation	9,494,018.60	9,327,121.71
	$19,725,399.94	**$22,292,407.73**
Total assets	**$34,770,927.35**	**$36,549,093.71**
Liabilities—	Dec. 31, 1941	Dec. 31, 1940
Amount received from trustees of the Gratuity Fund pursuant to Article XVI, Section 7, of the Constitution to be refunded to or to be applied against amounts paid or payable to members	$296,563.97	----------
Accounts payable	171,477.03	$255,198.30
Accrued payroll, taxes, etc.	39,407.41	87,271.98
	$507,488.41	**$342,470.28**
Deposits in special funds (contra):		
Stock Clearing Corp. Clearing Fund	$9,325,000.00	$10,767,500.00
Stock Clearing Corp mark to market deposits	129,059.46	17,560.86
Stock Clearing Corp. deposits account of special intermediate clearances	1,248,466.43	----------
Proceeds of sales of memberships	244,537.73	229,008.22
	$10,947,063.62	**$11,014,069.08**
Unearned income	**$6,892.48**	**$6,460.72**
Capital investment of the Exchange	**$23,309,522.84**	**$25,186,093.63**
Total liabilities	**$34,770,927.35**	**$36,549,093.71**

*In liquidation. †Dissolved during 1941.

Footnotes—The amount stated for fixed assets is book value, based mainly upon cost. The cost of obtaining premises under long lease, demolition and new construction has been capitalized; the allocation of costs between land and buildings is that made to meet the accounting requirements for tax purposes. The amount stated does not represent realizable value, which is believed to be substantially less.

The New York Stock Exchange was contingently liable at Dec. 31, 1941, with respect to pending law suits totaling $1,256,713.25, which in the opinion of counsel to the Exchange should not result in material liability.

The statement of income and expenses for the years 1941 and 1940 follow:

CONSOLIDATED STATEMENT OF INCOME AND EXPENSES

New York Stock Exchange; Stock Clearing Corp.; New York Stock Exchange Building Co.; New York Quotation Co.; *New York Stock Exchange Safe Deposit Co.; †39 Broad Street Corp.

	Year Ended Dec. 31, 1941	Year Ended Dec. 31, 1940
Income from members of their firms:		
Membership dues	$1,366,211.03	$1,375,000.00
Telephone spaces and other floor charges	504,768.52	584,779.23
Stock Clearing Corp. charges	757,686.55	870,005.30
Stock and bond ticker service	368,650.62	436,424.93
Quotation service	231,501.54	311,119.18
Branch office, registered employee and wire connection fees, and partnership application charges	157,615.00	153,210.00
Fines and power of attorney	16,716.50	13,403.12
	$3,403,149.76	**$3,743,941.76**
Income from others or not entirely from members or their firms:		
Rents, including light and power	$384,693.36	$520,267.11
Stock Clearing Corp. charges	80,400.00	82,800.00
Ticker, Trans-Lux and Teleregister	161,942.89	174,703.84
Subscriptions, services, etc.	12,847.72	14,155.76
Listing fees	558,192.49	495,376.67
Interest, discounts	7,586.94	11,882.17
Miscellaneous	45,463.48	47,748.45
	$1,251,126.88	**$1,346,934.00**
Gross income	**$4,654,276.64**	**$5,090,875.76**
Expenses:		
Salaries and wages	$2,743,621.23	$3,345,207.11
Employees' insurance, annuities, etc.	408,840.44	286,466.87
Social security and unemployment taxes	101,281.06	121,678.30
Building, light, heat, maintenance, etc.	203,943.29	242,116.49
Rent	149,079.04	140,791.28
Real estate taxes	569,206.83	616,621.42
Miscellaneous taxes	48,514.24	51,154.74
Printing, stationery, postage, etc.	127,587.08	133,299.65
Telephone and telegraph	78,674.16	101,732.81
Legal and other professional services	185,083.60	219,381.99
Committee fees	39,285.00	41,165.00
Insurance	19,462.26	19,802.92
Rents and accounts charged off	1,128.83	513.96
Miscellaneous	20,854.21	46,245.19
Total expenses	**$4,696,561.27**	**$5,366,177.73**

Excess of expenses (excluding depreciation) over income	$42,284.63	$275,301.97
Depreciation	566,579.69	620,446.69
Loss on sale of securities	7,596.85	5,679.71
Loss resulting from liquidation Exchange Court Corp. stock	----------	79,920.00
Undepreciated balance Night Branch Improvement account	8,929.48	----------
Loss on sale of 39 Broad St. (land, building, and miscellaneous equipment)	1,604,169.98	----------
Loss for the year	$2,229,560.63	$981.348.37

*In liquidation. †Dissolved during 1941.

ANALYSIS OF CHANGES IN CAPITAL INVESTMENT OF THE NEW YORK STOCK EXCHANGE AND AFFILIATED COMPANIES DURING THE YEAR 1941

Balance at Jan. 1, 1941		$25,186,093.63
Deduct:		
Loss for the year	$2,229,560.63	
Reserve for valuation of claim for real estate tax refund	19,000,000	
Adjustments of reserves for doubtful accounts	106.41	
		2,248,667.04
Add:		$22,937,426.59
Initiation fees	$348,000.00	
Claim for real estate tax refund (prior to 1941)	13,000.00	
Adjustment of reserve for valuation of securities	11,096.25	
		372,096.25
Balance at Dec. 31, 1941		$23,309,522.84

TRUSTEES OF THE GRATUITY FUND OF THE NEW YORK STOCK EXCHANGE

Statement of Condition

Assets—	Dec. 31, 1941	Dec. 31, 1940
Cash	$770,942.83	$1,012,296.88
Due from Treasurer of the Exchange:		
In respect of contributions levied (net) when and as collected from members	1,459.99	179,507.79
In respect of amount paid to Treasurer of the Exchange by the trustees, pursuant to Article XVI, Section 7	83,355.00	----------
Securities	1,241,302.03	1,243,282.03
(Market value 1941—$961,315.25)		
(Market value 1940—$957,266.87)		
Total assets	$2,097,059.85	$2,435,086.70
Liabilities and Surplus—		
Gratuities payable	$211,000.00	$221,000.00
Legal fees payable	5,366.92	240.00
Due to the Treasurer of the Exchange	----------	7.29
Total liabilities	$216,366.92	$221,247.29
Surplus per books	1,880,692.93	2,213,839.41
Total liabilities and surplus	$2,097,059.85	$2,435,086.70

Statement of Net Worth

Surplus per books	$1,880,692.93	$2,213,839.41
Difference between market value and cost or book value of securities	279,986.78	286,015.16
Net worth of The Gratuity Fund (securities at market value)	$1,600,706.15	$1,927,824.25

Condensed Statement of Operations

For the Year Ended Dec. 31, 1941

Balance of surplus per books at Dec. 31, 1940		$2,213,839.41
Cash contributions received or due on deaths occurring in 1941 (includes Jan. 1, 1942, billing)	$391,590.00	
Less: gratuities paid or due to beneficiaries of members deceased during year	380,000.00	
		11,590.00
Interest income (net) from securities, 1941	$41,006.23	
Less: legal and miscellaneous expenses	8,000.00	
		33,006.23
Initial contributions from members elected during year		1,305.00
Profit from sale of securities during year		11,830.00
Portion of 1940 income not allocated to reduction of members' contributions		7.29
Total		$2,271,577.93
Less: amount paid to Treasurer of the New York Stock Exchange in respect of deaths of members occurring during 1941, to be credited to members against contributions paid or payable; pursuant to Article XVI, Section 7, of the Constitution of the Exchange, requiring that such payments be made so long as the net worth of the Gratuity Fund is determined to be in excess of the sum of five hundred thousand dollars ($500,000)		390,885.00
Balance of surplus per books at Dec. 31, 1941		$1,880,692.93
Net worth of the Gratuity Fund at Dec. 31, 1941 (securities at market value)		$1,600,706.15

New Army Commands For Ground, Air, Supply

In an executive order issued March 2, President Roosevelt reorganized the Army into three basic units and transferred many of the War Department bureaus in a move designed to streamline the Department to present-day methods of operation. The President's order creates the Army Ground Forces, Army Air Forces and Services of Supply with each unit under a commanding general, and authorizes the Secretary of War to create such overseas departments, task forces, base commands, defense commands, commands in theatres of operation and other commands as he finds necessary for the national security.

Soon after the White House announcement, Secretary of War Stimson issued a statement saying that the President's redistribution of duties "will, in effect, streamline the War Department and gear it for the enormous problem of organizing, training, arming, supplying, transporting and providing strategic control to the rapidly growing Army of the United States in the world conflict."

Secretary Stimson announced that the following will be in charge of the new units:

Lieut. Gen. Henry H. Arnold, now Deputy Chief of Staff for Air, will command the air forces.

Lieut. Gen. Lesley J. McNair, present Chief of Staff of General Headquarters, will command all ground forces.

Major Gen. Brehon B. Somervell, present Assistant Chief of Staff in charge of supply, will head the new services of supply.

Under the President's order, the infantry, cavalry, field artillery and coast artillery are eliminated as separate branches of the Army and consolidated under the command of the Army Ground Forces.

The President acted under Authority vested in him by the First War Powers Act approved last Dec. 18. The order is effective March 9 and will remain in force during the war and for six months thereafter.

Feb. Defense Bond Sales

Sales of Defense Savings Bonds in February amounted to $703,200,000, Secretary of the Treasury Morgenthau announced on Mar. 2. This compares with the record-breaking of $1,060,547,000 sale in January, but the Secretary said that the decline was due to the fact that many persons bought their 1942 limit of bonds in January. The limit on Series E bonds is $5,000 per year and for the Series F and G it is $50,000 in one year. Total sales of defense bonds is now about $4,300,000,000. February sales included $397,989,000 of Series E; $51,820,000 of Series F, and $253,391,000 of Series G bonds.

Defense Bonds Used To Promote Employee Thrift

The sale of United States Defense Savings Bonds through payroll deductions has become the most important medium for encouraging thrift in American industry, according to a survey by the Management Research Division of The Conference Board. In some instances, the survey shows, these payroll deductions have superseded other thrift plans sponsored by employers. The United States Treasury has estimated that more than 8,200 companies with approximately 9,750,000 employees have adopted payroll deduction plans or are making arrangements to do so. The Board states that the plans used by these companies are all very similar, for nearly all follow a model plan that was prepared by the Treasury. The Board further says:

> Companies usually specify the minimum amount that each employee may save, in order to complete the purchase of a bond in a reasonable period. The minimum deductions for Series E $25 bonds permitted under various plans vary considerably, ranging from 25 cents to one dollar a week. Of 58 plans examined, however, only three do not specify any minimum. All money accumulated for the purchase of bonds is held in a separate account. No interest is paid on these funds, and employees are therefore urged to buy bonds of denominations which can be paid for in the shortest time.
>
> Payroll deductions continue indefinitely. They are not discontinued when payments for one bond have been completed. Employees may increase or decrease their savings by giving due notice to the company.
>
> Until Pearl Harbor, little effort was made by companies to promote these savings plans. It was believed that the company had done its duty by offering payroll deduction facilities, which were provided at considerable expense.
>
> Since Pearl Harbor, however, some companies have conducted intensive campaigns. They have created departmental committees to solicit employees individually. Rivalry among departments with respect to the percentage of participation has been encouraged.

Say U. S. To Continue Supplies To China

In an address in London on Feb. 25 at a luncheon of the National Defense Public Interest Committee, W. Averell Harriman, President Roosevelt's special representative to London expediting lend-lease aid, in an indirect reference to Burma stated that President Roosevelt was determined to keep up the line of supplies to China, "no matter what particular road might be cut." This is learned from a wireless message Feb. 25 from London to the New York "Times" from which we also quote in part as follows:

> He bade the British not to underestimate their new ally, the United States. Mr. Roosevelt has drawn up a "staggering" program of armaments production, which is patterned on that in effect here and which has gained impetus through the efforts of Lord Beaverbrook, who gave Americans some idea how far they must "raise their sights," Mr. Harriman declared. He said he had no patience with critics of British production.
>
> "I tell you, you have a right to be proud of what you are doing," he said.
>
> Supplies going to Russia from Britain formed an important contribution and sacrifice, but was well worth it, Mr. Harriman said, expressing regret that the United States had not done as much. "But there have been reasons for that and the Russians understand them," he added.
>
> Turning to Dr. V. K. Wellington Koo, Chinese Ambassador, he said it was disappointing, too, that more American aircraft, tanks and munitions were not in China yet, but that there was cause for confidence in the future.
>
> To show that the heart of the American people was in the right place, Mr. Harriman told the people of this country that they would get more of the kind of food they needed, notwithstanding the discovery in the United States that food production for Britain was not merely a question of shipping surplus stocks but meant sending things already in short supply at home
>
> Mr. Harriman's praise of Mr. Churchill and his warm words for the courage of the British troops he had seen in Africa embarrassed the audience, which had less thouble in applauding his reference to Mr. Roosevelt and America's war effort than in accepting credit for the deeds of its own.

Ceiling On Canned Foods

Price Administrator Leon Henderson ordered on Feb. 28 temporary price ceilings placed on 10 canned fruits and 15 canned vegetables in order to prevent further price advances which it is said, had been inducing consumer hoarding. The temporary 60-day ceiling, effective March 2, "freezes" prices at the highest figure which prevailed between Feb. 23 and Feb. 27. The order only applies to canners and wholesalers but Mr. Henderson said that retail prices would also be controlled if necessary. Canned fruits covered by the order are:

> Apples, apple sauce, apricots, cherries, fruit cocktail, fruit salad, peaches, pears, pineapples and plums.

Canned vegetables involved are:

> Asparagus, all dry beans, lima beans, snap beans, beets, carrots, corn, peas, pumpkins, sauerkraut, spinach, sweet potatoes, tomatoes, tomato catsup and tomato juice.

Mr. Henderson reported that average prices of canned fruits and vegetables at the canners' level had increased about 20% since last August, while retail prices had advanced about 10% in the same period.

N. Y. Mtg. Loans Increase

Mortgage loans made by all savings and loan associations in the State during January, 1942, show a 21½% increase in total amount loaned over January, 1941, and a 110% increase in number of loans, according to announcement made Feb. 20 by Zebulon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations. The announcement states:

> The 121 reporting member associations with assets totalling $291,999,025, made a total of 1,476 loans for a total of $3,094,644. Of these, there were 362 loans for the purchase of homes, totalling $1,407,924; 243 construction loans totalling $1,137,881; 99 loans refinanced for a total of $345,454; 36 repair loans totalling $52,875 and 736 other loans amounting to $150,510.
>
> Projecting the actual number of loans made, 1,476, to include all associations in the State, there would be a total of 2,347 amounting to $4,920,484, during January, 1942, which is an increase of 21½%, or $871,620 in amount loaned over January, 1941 and an increase of 110%; or 1,228, in number of loans.

OPA Acts to Curb Rents

Price Administrator Leon Henderson on March 2 designated 20 cities and communities as the first group of defense areas with "inflated" rentals and notified them to reduce the rentals to the government-recommended levels within 60 days or face Federal price ceiling action. The 20 "defense rental areas" designated are in 13 States and in most cases Mr. Henderson suggested that rents be restored to the level of April 1, 1941. The Price Administrator is authorized by the Price Control Act of 1942 to fix maximum rentals and enforce their observance if the communities do not accomplish the OPA's recommendations.

It is reported that the OPA has conducted rent surveys in over 200 communities where expanding war activities have created shortages of housing accommodations. The rent increases are said to range from 5 to 100%.

In designating the first group of "defense rental areas," Mr. Henderson commented:

> We are not going to permit any one to profiteer in rents at the expense of defense workers, families of enlisted men, civilian personnel of military establishments and civilian residents of defense areas so far as we can prevent it.
>
> There is no form of profiteering that strikes more severely at these groups than unwarranted increases in rents.
>
> In sections of the country where large defense plants and Army cantonments have sprung up, with resultant sharp increases in population, rents have soared beyond all reason, placing a distressing burden upon men and women giving their best efforts to war production.

RFC Power Increased

Legislation increasing the borrowing power of the Reconstruction Finance Corporation by $3,500,000,000, of which $1,000,000,000 would be for insurance of property against war damage, was passed by the House on March 2. Since the measure was considerably revised from the form in which it passed the Senate on Feb. 3, it will now go to conference.

The bill would increase the commitments of the War Insurance Corporation of the RFC to $1,000,000,000. The agency was set up by executive order last December with a $100,000,000 fund for possible payments, insuring property free.

Under the Senate's version of the bill losses up to $15,000 would be insured without premium and thereafter a reasonable premium would be charged. However, the House on March 2 voted against providing even $3,000 of free insurance, insisting that those to whom war-risk protection is accorded must pay premiums.

The other $2,500,000,000 provided in the bill would be to take care of many war plant expansions.

1941 Corn & Wheat Loans

The Department of Agriculture reported on Feb. 24 that CCC had made 79,254 loans, in the amount of $59,643,873 on 81,716,755 bushels of 1941 crop corn through Feb. 14, 1942. Loans made to date have averaged 73 cents per bushel.

The Agriculture Department also reported on Feb. 24 that through Feb. 14, 1942, CCC made 514,225 loans on 355,698,484 bushels of 1941 wheat in the amount of $349,425,728. The wheat under loan includes 117,697,459 bushels stored on farms and 238,001,025 bushels stored in public warehouses. Loans to the same date last year had been made on 277,937,789 bushels.

Foreign Front

(Continued from First Page)

and again was emphasized last week, when an alleged enemy aerial "raid" was reported over portions of our Pacific Coast. The performances of Mr. Roosevelt's Cabinet Ministers on that occasion leave some doubt as to whether changes effected this week are sufficient in scope.

For reasons that have not yet been made clear, the Los Angeles area was blacked out for five hours, on Feb. 25, and every appearance of an actual raid by enemy aircraft was observed. Anti-aircraft fire was directed into the heavens at real or imaginary objects, excitement reigned everywhere in the district, and many dislocations and irritations resulted. The country was informed through the press that a genuine raid had taken place, although no bombs were dropped and no opposing aircraft were shot down.

There followed a series of statements by Cabinet officers which made a mockery of the President's own warning that great discretion should be used in public statements. Secretary of the Navy Frank Knox dubbed the whole thing as a "false alarm." His understanding was, he said, that there were no airplanes over Los Angeles while the so-called raid was in progress. Secretary of War Henry L. Stimson followed this a day later by an assertion that enemy airplanes had, indeed, been over the area. He added the still more astounding suggestion that "enemy agents" operated the alleged airplanes from "commercial services." Everybody thereafter seemed anxious to forget the whole thing, which may be the only course for the officials concerned. The unfortunate impression left by this absurd performance is, however, not so readily dispelled, and points the need for the sort of reform in Administration thinking and procedure that Mr. Roosevelt urges upon the populace in general.

Battle of the Atlantic

Numerous recent incidents reflect a full-scale resumption of the Battle of the Atlantic, which now involves in every sense the Navy and the merchant marine of the United States, as well as the shipping of all other United Nations. The German Nazis, who are doubtless aided to some small degree by their Italian associates, have launched a vigorous attack on our side of the Atlantic, and are sinking ships at a rate that cannot be considered other than dangerous. Full details of the sinkings and other losses apparently are not being divulged, and the losses suffered by the Axis also remain a matter of guesswork, for the time being. More attention clearly needs to be paid, however, to the gigantic sea warfare and its implications.

Merchant and naval shipping construction in the United States is now being rushed at phenomenal rates. We are only at the start of the enormous program, however, and every ton of shipping lost is of high importance. The need for diverting sizeable numbers of ships for Far Eastern supply routes is complicating the difficulty and adding to a scarcity of shipping that is sure to become acute in the early future.

Attacks on German submarines were reported a little more freely in recent days by our military authorities, possibly because the argument that secrecy on U-boat sinkings is a psychological weapon holds little water. The sinkings are an important psychological weapon on our own side of the Atlantic. The Navy Department announced last week that at least three enemy submarines were definitely regarded as sunk by our forces and four more damaged in the Western Atlantic. No less than 114 vessels of the United Nations were attacked by U-boats from Jan. 1 to Feb. 23, it was added. The number of United Nations ships sunk was not revealed.

British authorities, smarting still from the "escape" of the German battleships Scharnhorst and Gneisenau, and the cruiser Prince Eugen, from Brest, indicated late last week that both of the German battleships had been observed in drydock, thus confirming the impression that they were damaged in their transit of the English Channel. The Prince Eugen, it was added, was hit by a torpedo launched by a British submarine off the Norwegian Coast. A German tanker was reported damaged in still another voyage through the English Channel, Monday.

Naval and merchant shipping losses suffered by the United Nations also are important. The United States Navy announced, Tuesday, the loss of the old destroyer Jacob Jones, in a torpedoing off Cape May, N. J. This is the first reported loss of a naval vessel on our front doorstep, through enemy action. Only 11 members of the crew of some 140 men were saved, and it appears that the submarine was not even sighted. British authorities announced late last week the loss of their destroyer Belmont, which was one of the 50 ships transferd in exchange for British grants to establish American bases at various points in the Western Hemisphere. Such losses are, of course, apart from the serious sinkings in the Far Pacific.

Merchant shipping losses of the last week or two are indicated by numerous landings of survivors. Some six to nine ships in a convoy en route between Canada and England have been lost through mass attacks by German submarines, according to seamen landed last Sunday at an East Canadian port. To the list of ships lost in the gigantic battle have been added, in the last seven days, the Norwegian Blink, 2,701 tons; the British tanker La Carriere, 5,685 tons; the U. S. tanker R. P. Resor, 7,451 tons; the U. S. tanker W. D. Anderson, 10,227 tons; the British Macgregor, 2,498 tons; the U. S. ore ship Marore, 8,215 tons; and some smaller vessels lost in the Caribbean.

The boldness of the submarine attackers again was attested by shelling of Mona Island, 45 miles west of Puerto Rico, on Monday. In this attack the enemy ship failed to do any damage, but the shelling is the first reported on U. S. territory in the Atlantic zone, and it may well presage other developments.

Java Invaded

Still another crisis in the South Pacific war now looms, owing to three separate landings by Japanese forces on the vital Netherlands East Indian island of Java, the most populous and fruitful of the great chain under Dutch sovereignty. Heavy attacks were made by naval forces of the United Nations against the Japanese transports and their naval escort. The defensive action unquestionably was heroic, since the Japanese plainly mustered superior naval strength in the Java Sea. It was a losing naval battle for the United Nations, however, as the Japanese landings indicate.

The threat to Java compares with the loss of Singapore, and it is clear that every available resource of the United Nations is being rushed into the battle on that great island. American, English and Australian troops are known to be battling alongside the intrepid Hollanders and their native soldiery. How many men are available for the defense remains a military secret. According to Batavia reports, no less than 60,000 Japanese were landed on Java in the first sortee, and additional enemy convoys are said to be moving toward the beachheads established on the island.

The naval battles fought in the Java Sea approaches make an epic story, of which little so far has been revealed. Netherlands vessels, aided by some old American ships, were reported last week as attacking vastly superior Japanese squadrons, and some of the Japanese ships were reported sunk, without serious loss to the United Nations. Fresh naval actions developed over the last week-end, as the Japanese armada approached Java. Netherlands reports claimed the sinking of at least one heavy Japanese cruiser and the damaging of another, while further Japanese losses consisted of a warship of an uncertain type and three destroyers. But two Dutch cruisers admittedly were lost and another damaged, while two United Nations destroyers were sunk. Tokio claimed that 11 United Nations warships were sunk and six crippled in the vast battle.

Whatever the full naval accounts eventually may disclose as to these actions, the fact remains that sizable Japanese forces effected landings last Saturday and Sunday at three widely separated points on Java. Heavy aerial attacks were made on the Japanese transports, many of which were reported sunk in consequence. Enough got through to enable the Japanese to land at least four divisions, with substantial equipment. These enemy forces began to traverse the island, with an obvious view to cutting communications of the United Nations, and a good deal of initial progress was conceded by Batavia.

As the gigantic struggle progressed, Netherlands forces reported that they were holding the enemy. The threat of additional troop landings by the Japanese is obvious, however, and distress calls were sent out from Batavia for reinforcements, especially in aerial strength. The aerial superiority at first possessed by the United Nations on Java admittedly was waning. The capital was moved from Batavia to Bandung, Tuesday, and Netherlands representatives in London stated flatly that Java possibly will fall, if help does not arrive speedly and in volume.

The British Supreme Commander of United Nations Forces in the Southwest Pacific, Sir Archibald P. Wavell, was transferred to India, Monday, and the command of fighting forces on Java entrusted to Netherlands leaders. The Japanese hammered Java airports incessantly, despite heavy losses. The enemy also raided Port Darwin, in Australia, and other points on that continent. Fighting still was reported in progress on various islands recently captured by the Japanese.

Burma Defense

Rapid progress admittedly is being made by the aggressive Japanese in their move against Burma, and it may well be that the entire strategy of United Nations activities in Eastern Asia now will have to be revised. The political problems introduced by the Japanese move also are numerous and difficult. India plainly is in ferment, and British authorities are hastening their consideration of the Indian problem. In order to keep that great sub-Continent in line, liberal concessions to India are forecast in London.

What the real effect of the latest developments will be upon China remains uncertain, although Generalissimo Chiang Kai-shek appears to be little inclined toward appeasement of the aggressors who have been ravishing his country for more than ten years. The Burma Road into the interior of China nevertheless is useless, and other supply routes for the Chinese will take time to develop. Much of the supplies recently sent to China by the United Nations via the Burma Road is said to have been destroyed by the Chinese, themselves, who feared that such equipment might fall into the hands of the enemy. Vast additional amounts of equipment got through safely, however, and it is hoped that China will be enabled thereby to continue her opposition to the invaders.

Japanese forces drove ahead inexorably, this week, both by land and in the air, with Rangoon as the obvious objective. The invaders currently are being held in the Sittang River region, but above the delta of that stream they are said already to have crossed and ruptured the railroad leading to Mandalay and the southern terminal of the Burma Road. Rangoon, itself, has been made a ghost city by a British scorched-earth policy. Enormous fires raged in the capital of Burma, as the Japanese fought grimly toward the city.

Aerial attacks were made by the Japanese, this week, upon towns in India, and the Andaman Islands of the Indian Ocean were battered last week. These activities possibly presage even further advances by the enemy in Southeastern Asia and the ocean that swirls around the territory. The Japanese Navy now has easy access to the Indian Ocean, by way of Malaya and Singapore. A decisive naval battle in the Bay of Bengal would not be surprising, in the circumstances.

Tokio announced officially, on Monday, the general results of the actions on the Malay Peninsula and the Island of Singapore. The Japanese claimed 95,000 prisoners and 15,000 abandoned United Nations dead, while their admitted losses were only 3,283 soldiers killed and 6,101 wounded. Vast amounts of British equipments were captured in the struggle, Tokio added.

Philippines Battle

Little change was noted in official reports of the battle for the Philippine Islands, this week, beyond occasional sorties by the forces under General Douglas MacArthur on Bataan Peninsula and fresh moves by the Japanese against southerly islands of the group. So quiet was the front in the small part of Luzon Island still held by our forces that Gen. MacArthur decided to attack. Taking the Japanese by surprise, Gen. MacArthur forged ahead a few miles and then awaited developments. The Japanese, however, seem to be under the impression that our forces can be starved into submission, for nothing occurred.

In other parts of the Philippines archipelago the enemy began to land fresh troops, while still other places were shelled by his Navy. A landing in force was reported Tuesday on the island of Mindanao, at Zamboanga. Cebu City on the island of that name was shelled, and set afire, and various points on Negros Island also gained unpleasant attention from Japanese warships.

The United States Navy, meanwhile, paid fresh attention to our supply line to the far Pacific region. Announcement was made Tuesday of a sweep west of the Gilbert Islands by important United States naval units. Squadrons of Japanese bombing airplanes met our ships, but our own fighter airplanes downed almost all of the Japanese aircraft without heavy losses on our side.

Russian Front

Military events on the vast Russian front remain somewhat obscure, notwithstanding Russian claims of gigantic successes against the German Nazi forces. Berlin admits merely that heavy attacks by the Russians are continuing and that "defensive" measures are being taken along the entire front from Leningrad to the Black Sea. The German retreat still does not resemble a rout, however, and there are indications that Moscow expects the struggle to continue into the Summer.

Maxim Litvinoff, the Russian Ambassador to Washington, declared last Thursday that a second front against the Nazis should be created, if the Germans are to be defeated in 1942. Increased aid for Russia also was requested by the Ambassador, who thought that Hitler can be destroyed if all his foes attack in full strength.

While the Russian Ambassador was calling for assistance in order to break the German strength this year, Russian armies surged forward in the snowy wastes of their country, with an obvious determination to accomplish the task before Spring, if possible. Enormous reserves were sent into the battle, which raged with especial severity northwest of Moscow and in the Donets Basin. In the Crimea, also, the Russians attacked valiantly.

Of these actions the most important appears to be one that centers on the town of Staraya Russia, where the entire 16th Germany Army is said by Moscow to have been trapped. No less than 90,000 Nazis are reported encircled in the region, and efforts by Berlin to succor the 16th Army were reported frustrated by the Russians. This fight probably is additionally desperate because of the Russian realization that Spring thaws may soon make all operations difficult. A thaw already has been reported in the Donets area.

Russo - Japanese relations were reported under increasing strain, late last week, and the hope prevailed for a time in London and Washington that warfare might develop, so that Russian bases on Kamchatka would be available for bombing Japanese industries. The Russian Government specifically denied any undue strain in relations, and Tokio also made it clear that hostilities are unlikely. The value of such assertions is, of course, always open to question.

Middle East

Throughout the Middle East, according to reports from that huge area, there is growing apprehension of a German-Italian attempt this Spring to capture the Suez Canal and establish contact with the Japanese in the Indian Ocean. Despite the tremendous distances involved, such military maneuvers are not to be ruled out. The Axis leaders stop at nothing and plainly would have much to gain by a junction of European and Far Eastern forces.

The Libyan battle is, in many ways, an index to Axis intentions. Only minor activity has been reported recently in the Western Desert, where the efficient German General, Erwin Rommel, is known to be disposing his forces for fresh adventures. Reinforcements for the United Nations troops also are being made available, and a contest seems to be in prospect which may rage into Egypt, if the Axis units cannot be contained. Heavy supplies are being rushed across the Mediterranean by the Axis, and Malta is being bombed day and night, to prevent British naval units from operating out of that base. The Axis convoys nevertheless are attacked regularly and heavy losses are reported by London to the Germans and Italians.

There were rumors in circulation, this week, that Gen. Rommel is being transferred by Hitler to the Russian front, but no confirmation of these reports was available. It is quite possible that the rumors were of the "trial balloon" variety. Rommel steadily has been a thorn in the side of the British, and he gained praise for his generalship even from Prime Minister Winston Churchill.

If Rommel moves with much augmented strength against Egypt and the Suez Canal, the next phase of German strategy will be obvious. It is expected in Ankara, the Turkish capital, that such a stroke will develop, along with a move by the Germans against the Caucasus oil fields of Russia. Enormous reinforcements are said to be accumulating at suitable points for such a German drive, but it is also to be noted that the Reich reserves could be directed toward Russia, in the Spring.

Axis fliers bombed the Suez Canal, early this week, which may be an indication that Berlin looks toward that vitally important passageway into the Indian Ocean. The British Mediterranean Fleet remains safely at Alexandria, and British fliers severely bombed the Italian port of Palermo, Tuesday, where several ships were hit and at least one was sunk. The Axis plainly remains far from control of the Mediterranean.

British Commandos

Exploits of the British Commando troops, who are specially trained for offensive action against the German Nazis, are steadily taking on more impressive proportions. These units have staged several successful raids in Norway recently. London reported last Saturday that another successful foray had been carried out by the troops during the previous night, against a Nazi post at Bruneval, in France. The objective was a radio detection station, some twelve miles north of Havre, which was destroyed with only light losses to the Commandos. Parachute troops were dropped to effect the destruction, and the Navy stood by to carry the men off. All phases of this unique action moved smoothly.

Possibly as a consequence of such actions, rumors circulated persistently that British forces soon may attempt an invasion of the European Continent. Regardless of the feasibility of such action, it is plain that the mere threat tends to keep on the coastline important units of the Reichswehr, which otherwise might be sent to Russia. The significance of the British attacks thus may surpass the admitted objectives. Military developments in Western Europe were unimportant, otherwise, in recent days.

Unoccupied France

Much international tension now centers around the Vichy regime of unoccupied France, for important phases of the Spring campaigns may well be determined by Marshal Henri Philippe Petain and his associates. Disposition of the French Fleet and of French possessions in various parts of the world may have an ultimate effect no less shattering than the permission given to Japan to use Indo-China as a military base. It is hardly to be doubted that the European Axis is exerting extraordinary pressure upon Vichy, and the United States Government naturally is doing its best to pull Vichy toward the Democratic side. This true tug-of-war remains unresolved, with Vichy apparently favoring first one side and then the other.

The problem of the remaining units of the French Navy, which still constitute a formidable fighting force, was reviewed last week, and disclosure was made at Washington, last Friday, that Marshal Petain had promised once again to refrain from turning the Fleet over to the Nazis. Transfer of a number of damaged French warships from African ports to the great French base at Toulon probably occasioned the inquiries from Washington, for the inference seemed warranted that repair of the ships might be followed by German use of the vessels, for whatever considerations might seem appropriate to the German and Vichy regimes. The aged French leader declared categorically, however, that unoccupied France would remain neutral in the current phase of the World War.

Marshall Petain also stated that his Government would not adopt a policy of assistance to the Axis Powers, beyond the terms of the existing armistice agreements. Inquiry on that phase of Franco-German relations was prompted by many reports that the French authorities in Tunisia were providing the Axis forces in Libya with food and other supplies. Washington spokesmen had said a week earlier that the French had failed to satisfy them concerning such alleged actions.

With respect to outlying French territories a situation of incredible confusion presents itself. The problem of Free French occupation of the islands of St. Pierre and Miquelon, off the Canadian Atlantic coast, remains unresolved. Washington announced on Monday that cooperation will be extended the Free French forces in moves against the ordinary French authorities of New Caledonia, in the far Pacific, and other islands in that region. The French Ambassador to Washington, Gaston Henry-Haye, denied last month that Vichy plans to make Madagascar available to the Japanese.

Internal political difficulties of the Vichy regime are illustrated, meanwhile, by the "war-guilt" trial at Riom, in which several former French Premiers and others are defending themselves against charges of having conspired to plunge their unprepared country into the war. This purely political trial has brought ringing denunciations from such figures as Eduard Daladier and Leon Blum. The legal action probably will continue for months.

From Washington

(Continued from First Page)

cial gains which labor has received. And barring a drastic overturn in Congress next November, none of these so-called gains is going to be repealed—the 40-hour week, minimum wages or anything else.

From Mr. Roosevelt's political viewpoint it would be foolish for him to permit any backtracking. You might ask: Why a political viewpoint in time of war? Doesn't beating the enemy comes first? Undoubtedly it does, but a man in Mr. Roosevelt's place necessarily must figure that an essential condition to victory is his retention of power. Other people might think otherwise, of course.

Well, organized labor has been his greatest source of strength. As the indications of his loss of strength among the farmers increase, it becomes still more important that he continue to woo organized labor. What sort of a position would he be in politically, if after holding this strength on the grounds that he was giving them "social gains," he should under war's necessity, take them away after they had been established relatively only a short time. The inescapable trend is that labor will intensify its influence, not lose any of it: The cards are stacked that way.

One manifestation of the trend is the frequent little agitations on the part of labor leaders, undiscernible to the layman's naked eye. One still hears of the Reuther plan whereby the automobile industry instead of only recently having converted, would by now have oodles of tanks, planes, guns, on the assembly lines—so many, in fact, that our strategists could just throw them away. I bring the matter up again because Reuther is still agitating and his stooge journalists are agitating for him. It so happens that not once in the so-called Reuther plan was there any suggestion for a conversion of the automobile industry. Instead, Reuther professed to know of a lot of unused facilities which the industry could use in war production without interrupting its auto output.

A few weeks ago, Under-Secretary of War Patterson took Reuther at his word about knowing of a lot of unused machinery He assigned his aide, Col. Ginsburg, to Reuther and said in effect:

"Now, Mr. Reuther you just go around and show Col. Ginsburg wherever you find an unused tool." As of this date, Reuther has not taken that trip with the colonel. He has not shown Patterson a single unused tool. But he is still making speeches.

Similarly, our old friend Harry Bridges has come to the front with a complaint that if the military would let him have his way he could probably win the war. Manifestly, our problem of transport to the Far East is a tremendous one. Bridges makes the point that even when the stuff gets there, experienced stevedores to unload it are unavailable. This is true and adds to the problem. Bridges offers to furnish the experienced stevedores and when the military doesn't rush forward and grab his offer, he agitates that it is because he represents the underdog, and the brass hats won't let the representatives of the underdog help to win the war. Stooge columnists take up the refrain.

The answer is, of course, that the Army and Navy are doing everything in the world they can to get equipment and fighting men to the front. They simply haven't the room for the army of stevedores at this time as much as they would like to have them.

All of this sort of stuff is part of the agitation that "labor must be given a more prominent voice in the conduct of the war."

You wonder what it means. What is it that labor, or rather the labor leaders want? Do they want more of the easy pickings of Washington? More of those nice per diem jobs. When they ask for a "voice" is it more employe - employer committees they want, all carrying an expense and further muddying up the waters?

Washington is undergoing another of the recurrent waves of cabinet shake-ups. Hull is going, Stimson is going, Frances Perkins is going, Frank Knox is going—so the reports persist.

I would not be so foolhardy as to deny any of them in these days. But the persistence of the reports has no relation to the possibility of them going. These reports always reflect a campaign on the part of the New Dealers and their columnist spokesmen to get rid of the Conservatives. They recur periodically and reflect the hope of the agitators that some day they will be effective. Miss Perkins of course, is not a New Dealer. But they always throw her in with the rest. In fact, sometimes they have singled her out.

This time the campaign serves another purpose. Rightly or wrongly there is a lot of dissatisfaction with the conduct of war. The political campaigns are coming up. What could be better than to put up a lot of scapegoats to detract attention from the man at the top. Particularly does this apply to Stimson and Knox, two Republicans.

Insofar as Hull's reported resignation is concerned, both Mr. Roosevelt and Sumner Welles would hate to see it at this time. There have been many times in the past when they have both wanted it but that situation has become so well known in the country, that they both indignantly deny the reports now and there is no question they are sincere. Hull's retirement would be distinctly harmful to public morale and nowhere is there more realization of this than at the White House. Unquestionably Stimson will have to retire sometime. He is getting old but he has his man, Patterson, doing the job.

It will be amazing if Knox gets through the war without being ruined. And this has nothing to do with his ability. Unlike Stimson he is an active Republican stands more as a symbol of Republicanism. Several weeks ago when it was announced that Archie MacLeish's office would pass upon all speeches of high government officials to see that they said the same thing, Knox's speech that Hitler was our No. 1 enemy was cited as a need for this supervision. Knox knew, of course, that he had been talking with the full approval of the White House.

Sometime after, Knox, appearing before a secret meeting of the Senate Naval Affairs committee, made it a point to stress that Mr. Roosevelt was running the war. A lot of Senators had feared this. Knox was answering arguments for a "unified command." Why, we have one, replied Knox, the President is our unified command, and Knox described him as the greatest military strategist the country has ever known.

Knox may have been perfectly sincere, of course. But the fact that the President was serving as the strategist stuck with the Senators.

It's a lot of fun to live in Washington and watch the mechanics of politics, much better than being in the front lines. One of the funniest things is the way MacArthur is getting on the New Dealers' nerves. There is a hero they are going to have to deflate sooner or later, or so they think.

It is not the slightest disparagement of that soldier on this writer's part to point out that he has enjoyed an unusually good press because he is cooperating with the few correspondents attached to him. The stories of the United Press and the Associated Press have been the most vivid to come out of the war, on any front. MacArthur is obviously giving them the facilities to get these stories and then seeing that the stories get through.

Well, that was all splendid as long as the Administration needed a hero. But then a campaign was started to bring MacArthur back here and put him in command of the whole works. Subsequently there has been implied criticism in the Philippine stories, such as one that the troops were chipping in to pay for a bomber. Mr. Roosevelt fretfully contended that there was no way aid could be sent to MacArthur. But the stories that he is going to hold out until he gets aid continue to come through. They can't come through without MacArthur's approval. The authorities here have become more and more fretful, and there is beginning to appear in New Deal columns occasional disparagements of the General.

He had better watch out or he will turn out to be a subversive influence instead of a hero.

Suspend Financial Section Of Neutrality Act of 1939

President Roosevelt signed on Feb. 21 the joint resolution suspending for the duration of the war the prohibitions against financial transactions contained in Section 7 of the Neutrality Act of 1939. The President had asked Congress on Feb. 9 for the repeal of Section 7 because, he said, it "prevents essential financial transactions between persons within the United States and our co-belligerents." The Senate adopted the resolution on Feb. 11 and the House took similar action on Feb. 18. The suspension of Section 7 applies particularly to Canada in that it will permit American citizens to carry on normal business relations. It is pointed out that the repeal of this section does not affect the so-called Johnson Act, since the latter deals with obligations and securities of governments in default, while the former deals with individuals.

Section 7 of the Neutrality Act made it unlawful for persons within the United States to purchase, sell or exchange bonds, securities, or other obligations of the government of any State named in a proclamation of the President as being at war and prohibited the making of loans or the extension of credit to any such government, political subdivision or person.

The President in his request for repeal of Section 7 (reported in our issue of Feb. 19, page 771) proposed that the section be amended to declare it "shall not be operative when the United States is at war."

Output Of Finished Steels Set Many Peaks During '41

Production for sale of semi-finished and finished rolled steel products in 1941 established a new record of 65,362,000 net tons, according to the American Iron and Steel Institute, which further stated:

> That was an increase of nearly 35% over the previous record, 48,585,000 net tons, established in 1940. Some of the total undoubtedly represents reduction of inventories of ingots and semi-finished products carried over from the previous year.
>
> In the production of individual steel products, more records now standing were made in 1941 than in any previous year. With the exception of rails and certain varieties of pipe, new peaks were established for nearly every major class of steel product.
>
> Among the products manufactured in record quantities last year were sheets and strip, tin plate, alloy bars, concrete reinforcing bars, and sheet piling. Records were also almost certainly made in plates, heavy structural shapes and merchant bars.
>
> Heavy steel products comprised a larger proportion of total production for sale in 1941 than in recent years, reflecting the shift in demand from steel to make consumers' goods to steel needed for war equipment.
>
> Plates, shapes, bars, billets and other heavy steel accounted for 60% of total production for sale last year, while light steel products such as sheets, tin plate and wire rods accounted for 40%. This was the largest percentage accounted for by heavy products in nine years.
>
> Heavy steel products comprised 58½% of the total in 1940, 55% in 1939 and less than 54% in 1938. In the period from 1933 through 1935, the production of heavy steel products at times comprised as little as little as 52½% of the total.

Items About Banks, Trust Companies

On Feb. 28 the City Bank Farmers Trust Company of New York marked its 120th anniversary On Feb. 28, 1822, by act of the New York legislature a charter was granted "for the purpose of accommodating the citizens of the State" to the Farmers Fire Insurance and Loan Co., which in 1836 changed its name to Farmers Loan & Trust Co. and, in 1929, to its present title. On April 17, 1822, by special legislative act, the first trust powers ever given in the United States to any corporation, were granted to the company.

Records, it is stated, show that the Legislature authorized the creation of company on the petition of John T. Champlin, Francis Depau, John Bolton and others. Mr. Champlin became the company's first President, says the company's announcement which also says:

"First office for Farmers' was in a private dwelling at 34 Wall Street, on the north side. Since 1889, the Company has occupied the same site at 22 William Street, where it is now located, but in a much more modern building, the 54 story City Bank Farmers Trust Company Building, completed in .1931, the Farmers Loan and Trust Company having become affiliated with the National City Bank of New York in 1929. Lindsay Bradford, President of City Bank Farmers since 1936, is the company's 13th President."

The Fordham Office (Bronx Boro) of Manufacturers Trust Company was moved over the week-end from 2487 Grand Concourse, near Fordham Road to new and larger quarters at 128 East Fordham Road, near Grand Concourse. This is one of the 12 offices of Manufacturers Trust Company in the Bronx and one of the 68 offices of the Bank in Greater New York.

At a meeting of the Board of Directors of the Chemical Bank & Trust Company of New York held on Feb. 26, Stephen L. Jenkinson was appointed Secretary to succeed Samuel Shaw, retired March 1st. Mr. Jenkinson entered the employ of the Chemical Bank on April 7, 1900 and served in various departments until his appointment as Assistant Trust Officer in 1922. In 1931 he was appointed Assistant Treasurer and since 1934 has served as an Assistant Secretary.

Following the meeting of the Board of Directors of the Bank of the Manhattan Company of New York on Feb. 26 F. Abbot Goodhue, President, announced the appointment of Francis E. Curran and Frank B. Kellogg as Assistant Trust Officers. Both have been in the Trust Department for sometime.

Justin Henderson, New York investment banker, died of heart disease on Feb. 28 at his home in Larchmont, N. Y. Mr. Henderson, who was 55 years old, had been associated for the last five years with Lazard Freres & Co., New York, in the investment bond department. A native of West Virginia, Mr. Henderson was graduated from West Virginia Wesleyan College in 1908 and received a law degree two years later from West Virginia University. From 1910 to 1915 he was assistant attorney for the Board of Trade of Los Angeles and later became manager of the prosecution department of the National Association of Credit Men in New York. Mr. Henderson served in France with the American Expeditionary Force in the World War as a lieutenant in the Air Corps. After the war he entered the investment securities business and was associated with the National City Company and the Chase National Bank.

Henry L. Genninger, Cashier of the Roosevelt Savings Bank of Brooklyn, N. Y. recently celebrated the completion of 35 years with the institution. Mr. Genninger is also Vice President of the Bankers Club of Brooklyn, past President of the Savings Banks Officers Association, Group V, and New York Financial Advertisers Association.

Freeport, L. I., advices Feb. 26 to the Brooklyn "Daily Eagle" stated that deposits of the Citizens National Bank of Freeport will be assumed by the First National Bank & Trust Co. of the same place, at the close of business on March 7, it was stated in a joint announcement by the two banks and the Federal Deposit Insurance Corporation. The Brooklyn "Daily Eagle" advices added: "According to the announcement, the FDIC will advance approximately $500,000 upon assets of the Citizens National Bank to permit the transfer to the assuming bank of cash and other high-grade assets in an amount exactly equal to the liabilities that are taken over." It is also stated that there will be no interruption of service incident to the absorption, which it is announced will be effected without loss to the depositors of the Citizens National.

The Oyster Bay Trust Co. of Oyster Bay, L. I., N. Y., has received approval from the State Banking Department to increase its capital stock from $100,000 to $220,300, it is learned from the Department's "Weekly Bulletin" of Feb. 20. The new capital set-up will consist of:

> (1) $50,000 par value of preferred stock "A", divided into 10,000 shares of the par value of $5 each; and
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> (2) $37,500 par value of preferred stock "B" divided into 2,000 shares of the par value of $18.75 each; and
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> (3) $132,800 par value of common stock, divided into 6,640 shares of the par value of $20 each.

Roy A. Young has resigned effective April 2 as President of the Federal Reserve Bank of Boston to become President of the Merchants National Bank of Boston. Mr. Young, whose resignation from the Reserve Bank was announced Feb. 26, will suceed Robert D. Brewer as President of the Merchants National; Mr. Brewer who had served in the presidency since 1929, will continue his activities with the bank as Vice Chairman of the Board of Directors. Mr. Young, who was born in Marquette, Mich., went to Boston in 1930 as head of the Reserve Bank to succeed the late W. P. G. Harding. From the Boston "Herald" of Feb. 27 we quote:

> Mr. Young had been a Federal Reserve Board Governor for three years and prior to that had served for eight years as Governor of the Federal Reserve Bank of Minneapolis. He left Minneapolis to become a Governor of the reserve system in Washington at half the salary he received in Minneapolis.
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> As Governor of the Boston Federal Reserve Bank Mr. Young guided it through the banking crisis of 1933, spending practically all of his time for a week in his office.
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> He began his career in northern Michigan as a bank messenger, finally becoming manager of a small commercial bank. He later served three other banks in the state and in 1917 became assistant to the Governor of the Minneapolis Reserve Bank. He was later appointed Deputy Governor and finally headed the bank.
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> As president of the Merchants National he will head a bank ranking among the five largest in New England, with deposits totalling more than $120,000,000. The bank is one of the oldest in Boston and was incorporated in 1831. The main office is at 28 State Street and a branch was recently opened at 513 Boylston Street.

Edward A. Young, President and one of the founders of the Northside Deposit Bank of Pittsburgh, Pa. died suddenly of a heart attack on Feb. 25. Mr. Young began his banking career 39 years ago as an employe of the Duquesne National Bank and later was employed by the Fidelity Trust Company in Pittsburgh, said the Pittsburgh "Post Gazette," which also stated:

> He returned to Duquesne for a time and in 1903 founded the old Real Estate Savings and Trust Company, which, after the stock market crash, was reorganized as the Northside Deposit Bank with Mr. Young as Vice President. Not long ago he became President of the institution.

The Miners Bank and Trust Co., Lykens, Pa., has changed its title to Miners Bank of Lykens in view of the fact that the company has given up its trust powers, according to an announcement by the Board of Governors of the Federal Reserve System.

William Walden Gray, President of the Citizens' National Bank of Evansville, Ind. since 1920, died in a Rochester (Minn.) hospital on Feb. 18. Mr. Gray who was 77 years of age, had been President of the bank since 1920.

The 42nd annual report of the Royal Trust Co., Montreal, Can., was submitted to the shareholders at their general meeting held on Feb. 10. The statement, covering the year ended Dec. 31, 1941, was presented by Huntly R. Drummond, President, who reported that the results of the operations for the year were as follows:

> Profit for the year amounted to $562,281.25, out of which $231,349.48 had to be set aside for the payment of taxes, leaving net profit of $330,931.77.
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> The balance of profit and loss account carried forward from Dec. 31, 1940, was $966,209.76 to which has been added the net profit for the year, making a total of $1,297,141.53.
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> From this, the regular quarterly dividends, aggregating $320,000, were paid, leaving a balance of $977,141.53 to be carried forward.

According to the Dec. 31 statement of condition, total assets of the bank are $742,017,897, a decline of about $17,000,000 accounted for chiefly by a decrease in the assets of Agency accounts. Estates, trusts and agency accounts amounting to $725,132,623 showed a satisfactory increase, Mr. Drummond said. The trust company's authorized capital stock stands at $5,000,000, paid-up capital stock at $2,000,000 and reserve fund at $4,000,000.

Total resources of Llodys Bank Limited, London, at the close of 1941 are reported at £629,723,889, according to the bank's annual report as of Dec. 31, 1941. This compares with £537,950,724 at the end of 1940. The Bank's deposits are listed at £581,314,405 compared with £490,826,084 at the close of 1940. The annual statement shows that on Dec. 31, 1941 the bank's capital (authorized, subscribed and paid up standing at £74,000,000, £73,302,076 and £15,810,252) is the same as a year ago, while the reserve fund is also the same as at the end of 1940, £10,000,000. The bank's net profit for the year 1941 is given as £1,274,199 compared with £1,383,807 for the previous year.

The bank's representative in the United States is J. H. Fea, 55 Cedar St., New York City.

Mortimer Buckner Dead

Mortimer Norton Buckner, Chairman of the Board of the New York Trust Co., died early Wednesday morning, Feb. 25, at the Doctors' Hospital in New York following a sudden heart attack at the company's office at 100 Broadway, the previous morning, Feb. 24. Mr. Buckner was born in New Orleans, La., March 10, 1873, the son of Newton and Pamela (Norton) Buckner. He attended St. Paul's School, Garden City, L. I., and was graduated by Yale University in 1895 with the degree of Bachelor of Arts. In 1928, Yale awarded him a Master of Arts degree and, in 1932, Colgate conferred on him the degree of Doctor of Laws. After graduating from college, Mr. Buckner returned to New Orleans where he became a traveling salesman and an insurance salesman. He remained there until September, 1901, when he came to New York to enter the employ of the Continental Trust Co. as a clerk. In 1903, he was made a Vice-President of that company, a predecessor of the New York Trust Co. In 1916, he was elected President of the New York Trust Co. and, in 1921, upon the occasion of the merger of the Liberty National Bank with the New York Trust Co., was elected Chairman of the Board of Trustees, in which position he continued until his death. In addition to serving as Chairman of the New York Trust Co. and President and Director of the Safe Deposit Co. of the New York Trust Co., Mr. Buckner was a director of the New York Life Insurance Co., Home Insurance Co., Carolina, Clinchfield & Ohio Rwy. Co., Chicago, Milwaukee, St. Paul & Pacific RR. Co., National Distillers Products Corp., City of New York Insurance Co., J. P. Maguire & Co., Pennsylvania Water & Power Co. and Roseton Brick Corp. and a trustee of the Provident Loan Society of New York, of which he was Treasurer from 1919 to 1921. He was also President of Houbigant, Inc., and Cheramy, Inc.

As to Mr. Buckner's further activities an announcement by the New York Trust Co. said:

> Mr. Buckner had been a member of the Banking Board of the State of New York since 1932. He was President of the New York Clearing House Association from 1931 to 1933 and was one of the organizers and President of the National Credit Corp., founded in 1931, for the purpose of assisting banks throughout the country in the national credit emergency then existing. He was also President of the Realty Stabilization Corp., and in October, 1933, was appointed by the Deposit Liquidation Board of the Reconstruction Finance Corp. as Committee Chairman for the Second [New York] Federal Reserve District.
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> At the time of his death Mr. Buckner was a member of the Board of Directors of the New York Chapter of the American Red Cross, of which he had served as Treasurer from 1919 to 1921 and as Chairman from 1922 to 1931. He had been a member of the Board of Managers and Treasurer of the State Charities Aid Association since 1917, and was a Trustee of the Boys Club of New York, Miriam Osborn Memorial Home Association, Protestant Foundation, and Education and Development Fund of the Farmers Federation. He was Vice-President of the Dodge Memorial Fund and a member of the Finance Committee of the United States Committee for the Care of European Children.
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> Mr. Buckner was a Fellow of the Yale Corporation and a member of its prudential and finance committees from 1928 to 1940. He was Treasurer of the Yale Club of New York from 1905 to 1920 and was President of the Club from 1920 to 1922. He served as a member of the Board of Control of the Yale University Athletic Association, as a member of the Class Committee and Treasurer of the Class Fund of his graduating class, and as a member of the National Executive Committee in charge of alumni organization of the Yale Endowment Fund.
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> Mr. Buckner was formerly Treasurer of the Knickerbocker Hospital, the War Camp Community Service of New York, a member of the Executive Committee and Treasurer of the United States Golf Association and of the Yale Ambulance Fund. He took an active part in the organization of the New York World's Fair and served as Chairman of its Executive Committee.

Speaking of Mr. Buckner's service to his Alma Mater, President Charles Seymour of Yale said:

> One of the busiest men in the country, holding no one knows how many important positions of trust, he has always been ready at the call of the University to take on extra jobs for Yale. Because he has given us the wisdom of his counsel and the stimulus of his personality, he has earned the gratitude of Yale and the deep affection of his colleagues.

Funeral services for Mr. Buckner were held at St. Bartholomew's Church, 49th Street and Park Avenue, New York, on Thursday afternoon, Feb. 26.

Reserve Amends Rules

The Board of Governors of the Federal Reserve System announces that it has amended Regulation D so as to provide that member banks in all central reserve and reserve cities shall compute deficiencies in reserve balances on a weekly basis, beginning with the reserve computation period for Feb. 28. Previously under Regulation D such computations for member banks in cities where Federal Reserve Banks or branches thereof are located and in a few other reserve cities were made on the basis of average daily net deposit balances covering semi-weekly periods, while for member banks in other reserve cities they were made on a weekly basis. In announcing the amendment the Board of Governors said:

> This change places banks in all these cities, including those in which Federal Reserve Banks or branches are located, on the same basis in this respect and has been made for the convenience of member banks in these cities in adjusting their reserve positions.
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> Country banks, i.e., those located outside of central reserve or reserve cities, will continue as heretofore to compute deficiencies in reserve balances on a semi-monthly basis.

Adopt Defense Saving

The nine commercial banks in Queens County have adopted some form of Voluntary Payroll Savings Plan for the convenience of their employes in purchasing Defense Savings Bonds Series "E" out of income, it was announced on Feb. 20 by Paul E. Prosswimmer, President of the Queens County Bankers Ass'n. Mr. Prosswimmer is President of the Jamaica National Bank. The banks are: College Point National Bank, Jamaica National Bank, Bayside National Bank, Boulevard Bank, Fidelity National Bank, National Bank of Far Rockaway, United National Bank of Long Island, Springfield Gardens National Bank and the Flushing National Bank.